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**WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana**

**Annual Financial Statements
As of and for the Two Years 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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana

Annual Financial Statements
As of and for the Two Years Ended June 30, 2004

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WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana

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ROBERT A. NEILSON
CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON
MEMBER
AMERICAN INSTITUTE OF CPA'S
SOCIETY OF LOUISIANA CPAS

P.O. BOX 98
412 AVENUE B
BOGALUSA, LOUISIANA 70429-0098
(985) 732-1811
FAX (985) 732-1812
rancpa@acisnetworks.com

COVINGTON OFFICE
500 N. HIGHWAY 190
SUITE 208
COVINGTON, LOUISIANA
(MAILING ADDRESS: P. O. BOX 98
BOGALUSA, LOUISIANA 70429-0098)
(985) 892-7940

INDEPENDENT AUDITOR'S REPORT

Honorable Johnny D. Crain
Washington Parish Clerk of Court
Franklinton, Louisiana

I have audited the accompanying basic financial statements of the Washington Parish Clerk of Court, a component unit of the Washington Parish Government, as of and for the two years ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Washington Parish Clerk of Court's management. My responsibility is to express an opinion on these financial statements based on my audit.

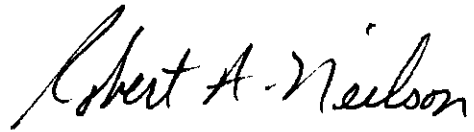
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and 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. 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 Washington Parish Clerk of Court as of June 30, 2004, and the changes in its financial position for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Washington Parish Clerk of Court has implemented a new financial reporting model, as required by the provisions of GASB statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, as of July 1, 2003.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 18, 2004 on my consideration of the Washington Parish Clerk of Court's internal control over financial reporting and on my 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 my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and on pages 35 and 36, 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. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Robert A. Neilson".

Certified Public Accountant

Bogalusa, Louisiana
November 18, 2004

**WASHINGTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004**

This management discussion and analysis (MD&A) of the Washington Parish Clerk of Court's (Clerk) financial performance provides an overview of the Clerk's financial activities for the fiscal year ended June 30, 2004. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. The financial statements have been audited as of June 30, 2004 and for the two years then ended, as required by state law. The Governmental Accounting Standards Board (GASB) issued Statement No. 34 requiring a new financial reporting model and new financial statements effective for fiscal years beginning after June 15, 2003. Although GASB 34 was implemented in the year ended June 30, 2003, this MD&A does not include comparative data as all government-wide data is not available for prior years. A comparative analysis will be provided in future years when prior year information is available.

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 comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Clerk's finances in a manner similar to private sector business. They present the financial picture of the Clerk from an economic resources measurement focus using the accrual basis of accounting.

The statement of net assets presents information on all the Clerk's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets should 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 net assets changed during the fiscal year using full accrual basis of accounting. All revenues and expenses are reported in this statement regardless of when cash is received or paid.

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. The Clerk uses two categories of funds: 1) governmental funds and 2) fiduciary funds.

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, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund statements provide a short-term view of the Clerk's general government operations. The Clerk uses one governmental fund, the general fund, to account for its operations.

Fiduciary funds. Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for litigants pending court action. These funds are custodial in nature and do not involve measurement of operations.

Notes to the basic financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Clerk's net assets at June 30, 2004 are summarized below.

	<u>Governmental Activities</u>
Current and other assets	\$ 288,631
Capital assets (net of accumulated depreciation)	<u>277,773</u>
Total assets	<u>566,404</u>
Current and other liabilities	17,189
Long-term liabilities	<u>34,155</u>
Total liabilities	<u>51,344</u>
Net Assets:	
Invested in capital assets, net of related debt	243,618
Unrestricted	<u>271,442</u>
Total net assets	<u>\$ 515,060</u>

The largest components of total assets are cash of \$231,346 or 41% and capital assets, net of accumulated depreciation of \$277,773 or 49%. Capital assets are non-liquid assets and cannot be utilized to satisfy the Clerk's obligations.

Approximated 47% or \$243,618 of the Clerk's net assets represents its investment in capital assets, net of related debt. Governmental activities increased the Clerk's net assets by \$29,967 in the year ended June 30, 2004. A condensed Statement of Activities is presented below.

	<u>Governmental Activities</u>
Revenues:	
Program revenues	\$ 1,150,344
General revenues	<u>9,940</u>
Total revenues	<u>1,160,284</u>
Expenses:	
Personal services and related benefits	871,345
Operating services	99,070
Supplies	115,574
Other expenses	<u>44,328</u>
Total expenses	<u>1,130,317</u>
Change in net assets	29,967
Net assets-beginning	<u>485,093</u>
Net assets-ending	<u>\$ 515,060</u>

Approximately 35% or \$398,427 of program revenues represents fees for recordings. Fees from suits and successions were \$491,798 or about 43% of program revenues.

Personal services and related benefits were \$871,345 or approximately 76% of program revenues.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The general government functions are reported in the general fund. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The fund balance of the general fund increased by \$29,962 during the year ended June 30, 2004. At the end of the current year, the total fund balance of \$271,442 was unreserved. Unreserved fund balance represents 23.5% of total fund expenditures.

The total revenues of \$1,160,284 are the same as reported in the government-wide statement of activities. The difference between the General Fund expenditures and the expenses on the statement of activities are in the reporting of capital expenditures, depreciation, loan proceeds and repayment of debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was prepared in accordance with the provisions of the Local Government Budget Act. The budget was not amended during the year.

The following are significant variations between the budget and actual amounts.

1. Actual revenues exceeded budgeted revenues by \$15,784. Revenues from suits and successions exceeded budgeted amounts by \$31,798 primarily due to an increase in the volume of civil filings. Most other revenues were slightly less than budgeted amounts.
2. Actual expenditures exceeded budgeted expenditures by \$11,739. Expenditures exceeded budgeted amounts in all

categories except operating services. Operating services were \$60,680 less than budgeted amounts primarily due to lower lease expenditures and lower expenditures for professional services.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets. The following summarizes the Clerk's investment in capital assets at June 30, 2004.

	Governmental <u>Activities</u>
Capital assets	\$ 471,329
Less accumulated depreciation	(193,556)
Capital assets, net	<u>277,773</u>
Less related debt	(34,155)
Invested in capital assets	<u>\$ 243,618</u>

During the year ended June 30, 2004, the Clerk purchased \$42,500 of equipment.

Long-Term Debt. The following summarizes the Clerk's long-term debt activity during the year.

	<u>Note Payable</u>	<u>Capital Lease Obligations</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$21,091	\$21,091
Additions	25,917	-	25,917
Payments	(4,022)	(8,831)	(12,853)
Balance, end of year	<u>\$21,895</u>	<u>\$12,260</u>	<u>\$34,155</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The annual budget is developed to provide efficient, effective and economic uses of the Clerk's resources. For the year ending June 30, 2005, budgeted revenues are expected to increase by approximately \$33,000 or about 2.8% over total actual revenues for the year ended June 30, 2004. Small increases are anticipated in most categories of revenues with the largest increase of about \$15,000 occurring in election fees. For the

year ending June 30, 2005, budgeted expenditures are expected to increase by approximately \$63,000 or about 5.6% over the total actual expenditures for the year ended June 30, 2004. Small increases are expected in most categories of expenditures with the largest increase of about \$26,000 occurring in personal services and related benefits.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Clerk's finances and to show the Clerk's accountability for the money it receives. If you have questions about this report or need additional information, contact Honorable Johnny D. Crain, Washington Parish Clerk of Court, P.O. Box 607, Franklinton, LA 70438, phone number (985) 839-4663.

A handwritten signature in black ink, appearing to read "Johnny D. Crain". The signature is written in a cursive style with a large initial "J" and "C".

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Statement of Net Assets
June 30, 2004

ASSETS

Cash	\$ 231,346
Receivables	28,669
Due from other funds	28,616
Capital assets, net of accumulated depreciation	<u>277,773</u>
Total Assets	<u>566,404</u>

LIABILITIES

Accounts payable	3,796
Payroll taxes payable	4,107
Compensated absences payable	9,286
Long-term liabilities:	
Due within one year	15,924
Due after one year	<u>18,231</u>
Total Liabilities	<u>51,344</u>

NET ASSETS

Invested in capital assets, net of related debt	243,618
Unrestricted	<u>271,442</u>
Total Net Assets	<u>\$ 515,060</u>

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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Statements of Activities
Years Ended June 30, 2004 and 2003

EXPENSES	<u>2004</u>	<u>2003</u>
Judiciary:		
Personal services	\$ 682,616	\$ 675,020
Employee benefits	188,729	179,321
Travel and professional development	6,358	9,771
Operating services	99,070	141,050
Supplies	115,574	100,715
Interest and other charges	8,539	10,046
Depreciation	<u>29,431</u>	<u>26,734</u>
Total Expenses	1,130,317	1,142,657
 PROGRAM REVENUES		
Recordings	398,427	334,664
Cancellations	23,062	20,154
Mortgage certificates	28,716	30,630
Certified copies	24,378	23,834
Court attendance	4,031	4,304
Criminal fees	67,231	73,489
Suits and successions	491,798	458,879
Elections	50,148	48,580
Notarial fees	510	400
Miscellaneous	48,838	60,288
Marriage licenses	<u>13,205</u>	<u>12,575</u>
Total Program Revenue	1,150,344	1,067,797
 GENERAL REVENUES		
Interest	<u>9,940</u>	<u>14,771</u>
Total General Revenues	<u>9,940</u>	<u>14,771</u>
 CHANGE IN NET ASSETS	29,967	(60,089)
 NET ASSETS - BEGINNING OF YEAR	<u>485,093</u>	<u>545,182</u>
 NET ASSETS - END OF YEAR	<u>\$ 515,060</u>	<u>\$ 485,093</u>

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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Governmental Fund - General Fund
Balance Sheet
June 30, 2004

ASSETS	
Cash	\$ 231,346
Receivables	28,669
Due from other funds	<u>28,616</u>
Total Assets	<u>\$ 288,631</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 3,796
Payroll taxes payable	4,107
Compensated absences payable	<u>9,286</u>
Total Liabilities	17,189
 Fund Balance:	
Unreserved	<u>271,442</u>
Total Fund Balance	<u>271,442</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 288,631</u>

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

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Governmental Fund
 Reconciliation of the Balance Sheet to the Statement of Net Assets
 June 30, 2004

Fund Balance - Governmental Fund \$ 271,442

Amounts reported for governmental activities
 in Statement of Net Assets are different
 because:

Capital assets used in governmental
 activities are not financial
 resources and therefore are not
 reported in the governmental fund

Governmental capital assets	471,329	
Less accumulated depreciation	<u>(193,556)</u>	
		277,773

Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental fund	(<u>34,155</u>)
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Net Assets of Governmental Activities	<u>\$ 515,060</u>
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The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Governmental Fund - General Fund
Statements of Revenues, Expenditures and Changes in Fund Balance
Years Ended June 30, 2004 and 2003

REVENUES	<u>2004</u>	<u>2003</u>
Fees, charges and commissions for services:		
Recordings	\$ 398,427	\$ 334,664
Cancellations	23,062	20,154
Mortgage certificates	28,716	30,630
Certified copies	24,378	23,834
Court attendance	4,031	4,304
Criminal fees	67,231	73,489
Suits and successions	491,798	458,879
Elections	50,148	48,580
Notarial fees	510	400
Miscellaneous	48,838	60,288
Marriage licenses	13,205	12,575
Interest	<u>9,940</u>	<u>14,771</u>
Total Revenues	<u>1,160,284</u>	<u>1,082,568</u>
EXPENDITURES		
Judiciary:		
Personal services	682,616	675,020
Employee benefits	188,729	179,321
Travel & professional development	6,358	9,771
Operating services	99,070	141,050
Supplies	115,574	100,715
Debt service		
Principal	12,853	15,710
Interest and other charges	8,539	10,046
Capital Outlay	<u>42,500</u>	<u>9,671</u>
Total Expenditures	<u>1,156,239</u>	<u>1,141,304</u>
Excess (Deficiency) of Revenues Over Expenditures	4,045	(58,736)
Other Financing Sources		
Loan Proceeds	<u>25,917</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	29,962	(58,736)
Fund Balance at Beginning of Year	<u>241,480</u>	<u>300,216</u>
Fund Balance at End of Year	<u>\$ 271,442</u>	<u>\$ 241,480</u>

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

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Reconciliation of the Statements of Revenues, Expenditures, and
 Changes in Fund Balance to the Statements of Activities
 Governmental Fund
 June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Net changes in Governmental Fund Balance	\$ 29,962	(\$58,736)
<p>Amounts reported for governmental activities in the statements of net assets are different because:</p>		
<p style="padding-left: 40px;">Governmental funds report capital outlays as expenditures; however, in the statements of activities, the cost of those assets is depreciated over their estimated useful lives</p>		
Expenditures for capital assets	42,500	9,671
Current year depreciation	(29,431)	(26,734)
<p>Loan proceeds provide current financial resources to governmental funds but incurring debt increases liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Loan Proceeds	(25,917)	-
Repayment of long-term liabilities	<u>12,853</u>	<u>15,710</u>
Change in Net Assets of Governmental Funds	<u>\$ 29,967</u>	<u>(\$ 60,089)</u>

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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Statement of Fiduciary Net Assets
June 30, 2004

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 885,549	\$ 350,380	\$ 2,246	\$ 1,238,175
Total Assets	<u>885,549</u>	<u>350,380</u>	<u>2,246</u>	<u>1,238,175</u>
LIABILITIES				
Due to Salary Fund	28,536	-	80	28,616
Held for others pending court action	<u>857,013</u>	<u>350,380</u>	<u>2,166</u>	<u>1,209,559</u>
Total Liabilities	<u>885,549</u>	<u>350,380</u>	<u>2,246</u>	<u>1,238,175</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Statement of Changes in Fiduciary Net Assets
Year Ended June 30, 2004

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
ADDITIONS				
Suits and successions	\$ 810,042	\$ 131,685	\$ 56,675	\$ 998,402
Interest income	-	2,639	-	2,639
Total Additions	<u>810,042</u>	<u>134,324</u>	<u>56,675</u>	<u>1,001,041</u>
DEDUCTIONS				
Clerk's cost (transferred to Salary Fund)	480,020	-	11,748	491,768
Settlements to litigants	-	290,938	-	290,938
Sheriffs' fees	66,865	-	11,470	78,335
Attorneys, curator and notary	11,797	-	-	11,797
Judges expense fund	22,270	-	-	22,270
Judges supplemental fund	26,179	-	-	26,179
Transfer to Civil Jury Fund	56,675	-	-	56,675
Washington Parish Government	20,933	-	-	20,933
Other Reductions	15,224	-	32,954	48,178
Total Deductions	<u>699,963</u>	<u>290,938</u>	<u>56,172</u>	<u>1,047,073</u>
CHANGE IN NET ASSETS	110,079	(156,614)	503	(46,032)
NET ASSETS - BEGINNING OF YEAR	<u>746,934</u>	<u>506,994</u>	<u>1,663</u>	<u>1,255,591</u>
NET ASSETS - END OF YEAR	<u>\$ 857,013</u>	<u>\$ 350,380</u>	<u>\$ 2,166</u>	<u>\$ 1,209,559</u>

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

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Statement of Fiduciary Net Assets
 June 30, 2003

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 771,106	\$ 506,994	\$ 1,729	\$ 1,279,829
Total Assets	<u>771,106</u>	<u>506,994</u>	<u>1,729</u>	<u>1,279,829</u>
LIABILITIES				
Due to Salary Fund	24,172	-	66	24,238
Held for others pending court action	<u>746,934</u>	<u>506,994</u>	<u>1,663</u>	<u>1,255,591</u>
Total Liabilities	<u>771,106</u>	<u>506,994</u>	<u>1,729</u>	<u>1,279,829</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Statement of Changes in Fiduciary Net Assets
Year Ended June 30, 2003

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
ADDITIONS				
Suits and successions	\$ 634,625	\$ 157,258	\$ 15,090	\$ 806,973
Interest income	<u>-</u>	<u>2,966</u>	<u>-</u>	<u>2,966</u>
Total Additions	<u>634,625</u>	<u>160,224</u>	<u>15,090</u>	<u>809,939</u>
DEDUCTIONS				
Clerk's cost (transferred to Salary Fund)	453,364	-	5,455	458,819
Settlements to litigants	-	6,356	-	6,356
Sheriffs' fees	60,382	-	5,055	65,437
Attorneys, curator and notary	9,677	-	-	9,677
Judges expense fund	19,710	-	-	19,710
Judges supplemental fund	22,283	-	-	22,283
Transfer to Civil Jury Fund	15,090	-	-	15,090
Washington Parish Government	18,525	-	-	18,525
Other Reductions	<u>9,722</u>	<u>-</u>	<u>4,580</u>	<u>14,302</u>
Total Deductions	<u>608,753</u>	<u>6,356</u>	<u>15,090</u>	<u>630,199</u>
CHANGE IN NET ASSETS	25,872	153,868	-	179,740
NET ASSETS - BEGINNING OF YEAR	<u>721,062</u>	<u>353,126</u>	<u>1,663</u>	<u>1,075,851</u>
NET ASSETS - END OF YEAR	<u>\$ 746,934</u>	<u>\$ 506,994</u>	<u>\$ 1,663</u>	<u>\$ 1,255,591</u>

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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Notes to the Financial Statements
As of and for the Two Years Ended 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. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

Governmental Accounting Standards Board Statement No. 34

The financial statements have been audited as of June 30, 2004 and for the two years then ended, as required by state law. Therefore, for the fiscal year ended June 30, 2003, the Clerk implemented GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (GASB 34). This statement represents a very significant change in the financial reporting model used by state and local governments and includes the following:

Management's Discussion and Analysis-GASB 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the Clerk's financial activities in the form of management's discussion and analysis (MD&A).

Government-Wide Financial Statements-Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund or account group. Significantly, the Clerk's statement of net assets includes both noncurrent assets and noncurrent liabilities of the Clerk, which were previously recorded in the General Fixed Assets Account Group and the General Long-term Debt Account Group. Government-wide financial statements include the Statement Net Assets and the Statement of Activities.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS (continued)

Beginning Net Assets for governmental activities were determined as follows:

Fund balance of general fund at June 30, 2002	\$ 300,216
Add capital assets at June 30, 2002	507,348
Deduct reclassifications and adjustments at 6/30/02	(88,190)
Deduct accumulated depreciation at June 30, 2002	(137,391)
Deduct capital lease obligations at June 30, 2002	(<u>36,801</u>)
Governmental Net Assets, restated at June 30, 2002	<u>\$ 545,182</u>

Governmental Accounting Standards Board Statement No.37

For the fiscal year ended June 30, 2003, the Clerk implemented GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus* (GASB 37). This statement amends GASB 34 to either: 1)clarify certain provisions, or 2) modify other provisions that GASB believes may have unintended consequences in some circumstances.

Governmental Accounting Standard Board Statement No. 38

The Clerk adopted the provisions of GASB No. 38, *Certain Financial Statement Note Disclosures* (GASB 38). This statement modifies, establishes, and rescinds certain financial statement disclosure requirements. Accordingly, certain footnote disclosures have been revised to conform to the provisions of GASB 38.

Governmental Accounting Standards Board Interpretation No.6

For the fiscal year ended June 30, 2003 the Clerk implemented GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements*. This interpretation clarifies the application standards for modified accrual recognition of certain liabilities and in areas where differences have arisen, or could arise,

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS (continued)

in interpretation and practice. This interpretation affects the fund level financial statements (governmental funds only, not fiduciary funds) required by GASB 34, but has no direct effect on the government-wide financial statements.

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Washington 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.

C. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Washington Parish Government. The Washington Parish Government 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 Washington Parish Government, the clerk of court was determined to be a component unit of the Washington Parish Government, 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 Washington Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. FUND ACCOUNTING

The Washington Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

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 primary operating fund of the clerk and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to clerk policy.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements

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

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

Revenues

Fees for certified copies, cancellations, mortgage certificates, recording legal documents, and criminal

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

costs are recorded in the year they are earned. Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources/(Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Government-Wide Financial Statements

The Statement of Net Assets and the Statements of Activities display information about the reporting entity as a whole. These statements include all the financial activities of the Washington Parish Clerk of Court.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETS

The proposed budgets for the years ended June 30, 2004 and 2003 were made available for public inspection at the clerk's office on May 21, 2003 and May 22, 2002, respectively. For 2004 and 2003, the proposed budgets, prepared on the modified accrual basis of accounting, were published in the official journal 28 days prior to the public budget hearing. The budget hearings were held at the clerk's office on June 18, 2003 and June 19, 2002, for 2004 and 2003, respectively. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year end.

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

G. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Under state law, the Washington Parish Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, 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.

H. INTERFUND ACTIVITIES

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

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

Capital assets are recorded in the Statement of Net Assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment under capital lease	8 years
Building improvements	25 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	5 years

J. COMPENSATED ABSENCES

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

Employees receive annual vacation days on July 1 of each year, depending upon length of service. A maximum of 10 days of unused vacation leave may be carried over into a new fiscal year. Upon termination, employees are paid for up to 5 days of unused vacation time.

Earned but unused vacation leave is accrued as a liability because (a) the employee's rights to receive compensation are attributable to services already rendered and (2) it is probable that the clerk will compensate the employees for the vacation leave through paid time off or some other means, such as cash payments at termination or retirement.

Employees receive up to 10 days of sick leave on July 1 of each year. A maximum of 40 days of unused sick leave may be carried over into a new year. Upon termination, employees are not paid for any unused sick days.

Earned but unused sick leave has not been accrued as a liability because no payments will be made at termination of employment.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES (continued)

At June 30, 2004, employees of the clerk of court have accumulated and vested \$9,286 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as an obligation of the General Fund since the total liability can be reasonably expected to be paid from current resources.

K. FUND EQUITY

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 no amount due the parish treasurer as the General Fund's fund balance at June 30, 2004, did not exceed one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

2. CASH

At June 30, 2004, the Washington Parish Clerk of Court has cash (book balances) totaling \$1,469,521 as follows:

Demand deposits	\$ 88,517
Interest bearing demand deposits	884,113
Time deposits	496,891
Total	<u>\$1,469,521</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. 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 \$1,557,564 in deposits (collected bank balances). These deposits are secured from risk by \$891,318 of federal deposit insurance, and \$1,081,522 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. RECEIVABLES

The receivables of \$28,669 at June 30, 2004, consist of various fees and charges for services rendered.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

4. CAPITAL ASSETS

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

Governmental Activities	Equipment Under Capital Lease	Building Improvements	Furniture & Equipment	Total
Capital Assets:				
Balance June 30, 2002	\$67,344	\$175,997	\$264,007	\$507,348
Reclassification/Adjustments	(15,827)	9,233	(81,596)	(88,190)
Balance June 30, 2002 (as adjusted)	51,517	185,230	182,411	419,158
Additions- Y/E 6/30/03	-	-	9,671	9,671
Balance June 30, 2003	51,517	185,230	192,082	428,829
Additions- Y/E 6/30/04	-	-	42,500	42,500
Reclassifications	(20,990)	-	20,990	-
Balance June 30, 2004	30,527	185,230	255,572	471,329
Less Accumulated Depreciation:				
Balance June 30, 2002	-	-	-	-
Reclassification/Adjustments	8,467	28,833	100,091	137,391
Balance June 30, 2002 (as adjusted)	8,467	28,833	100,091	137,391
Additions- Y/E 6/30/03	6,441	7,409	12,884	26,734
Balance June 30, 2003	14,908	36,242	112,975	164,125
Additions- Y/E 6/30/04	6,441	7,409	15,581	29,431
Reclassifications	(11,807)	-	11,807	-
Balance June 30, 2004	9,542	43,651	140,363	193,556
Capital Assets, Net at June 30, 2004	<u>\$20,985</u>	<u>\$141,579</u>	<u>\$115,209</u>	<u>\$277,773</u>

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Two Years Ended June 30, 2004

5. Pension Plan

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

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

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 percent of their annual covered salary. Senate Bill 556 effective July 1, 1999, allows the Clerk as the employer to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the salary. The Washington Parish Clerk of Court pays all the 8.25% employee contribution. The Washington Parish Clerk of Court is also required to contribute at an actuarially determined rate. The current rate is 11.5 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent of the taxes

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Two Years Ended June 30, 2004

5. PENSION PLAN (continued)

shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Washington Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Washington Parish Clerk of Court's employer contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$57,738, \$49,840, and \$52,223, respectively, equal to the required contributions for each year.

6. OTHER POSTEMPLOYMENT BENEFITS

Under the provisions of Louisiana Revised Statute 13:783, the Clerk is authorized to contract separately or through the insurance committee that administers the Clerk's insurance fund to obtain various insurance coverages for the Clerk, employees of the Clerk, and their dependents. The Clerk or any employee that retires under the Clerks' of Court retirement program may elect to continue insurance coverage. The Washington Parish Clerk of Court provides 100 percent of the cost of health and life insurance for its regular active employees and 25 percent of the cost of elective dependent coverage. The Clerk provides 100% of the cost of health and life insurance for retired employees and their dependents. Retired employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. The total employer contributions are recognized as expenditures monthly as premium payments are made by the Clerk to the Louisiana Clerks of Court Association. At June 30, 2004 and June 30, 2003 there were five and six retired employees, respectively. Post employment benefits for these retired employees cost \$19,464 and \$18,607 for the years ended June 30, 2004 and 2003, respectively. There were no changes in benefit provisions during the two years ended June 30, 2004.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years Ended June 30, 2004

7. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the two years ended June 30, 2004:

	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Total</u>
Long-term obligations at July 1, 2002	\$ -	\$ 36,801	\$ 36,801
Additions, Y/E 6/30/03	-	-	-
Deductions, Y/E 6/30/03	<u>-</u>	<u>(15,710)</u>	<u>(15,710)</u>
Long-term obligations at June 30, 2003	-	21,091	21,091
Additions, Y/E 6/30/04	25,917	-	25,917
Deductions, Y/E 6/30/04	<u>(4,022)</u>	<u>(8,831)</u>	<u>(12,853)</u>
Long-term obligations at June 30, 2004	<u>\$ 21,895</u>	<u>\$ 12,260</u>	<u>\$ 34,155</u>

A. NOTE PAYABLE

On January 15, 2004, the Clerk executed a note payable to Resource Bank at a rate of 5.75% in the amount of \$25,917. The loan is due on demand. If no demand is made, the loan is due in 36 monthly payments of \$786. The outstanding balance on this note at June 30, 2004 was \$21,895.

The loan is collateralized by a 2004 Ford Expedition. The Lender also has a continuing security interest in any and all funds that the Clerk may have on deposit, to the extent permitted by law.

The Washington Parish Clerk of Court did not receive approval of the State Bond Commission to incur this debt.

The debt service requirement to maturity follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 8,358	\$ 1,080	\$ 9,438
2006	8,851	587	9,438
2007	<u>4,686</u>	<u>18</u>	<u>4,704</u>
Total	<u>\$21,895</u>	<u>\$ 1,685</u>	<u>\$23,580</u>

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Two Years ended June 30, 2004

7. LONG-TERM OBLIGATIONS (continued)

B. LEASES

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements. Capital lease obligations for equipment totaled \$12,260 at June 30, 2004.

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2004:

Fiscal Year Ending <u>June 30</u>	<u>Total</u>
2005	\$ 14,519
2006	<u>9,130</u>
Total minimum lease payments	23,649
Less amounts representing executory cost	(<u>6,638</u>)
Net minimum lease payments	17,011
Less amount representing interest	(<u>4,751</u>)
Present value of net minimum lease payments	<u>\$ 12,260</u>

The Clerk of Court does not have any noncancelable operating leases at June 30, 2004.

8. RISK MANAGEMENT

The Washington 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. These risk are covered, in part, by commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court. Settlements have not exceeded insurance coverage in each of the past three years.

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Two Years ended June 30, 2004

9. LITIGATION AND CLAIMS

The Washington Parish Clerk of Court was made a third-party defendant by the Washington Parish Government in a suit filed against the Parish and against the Washington Parish Sheriff. The Clerk's legal counsel has filed a motion for summary judgment asking the Court to dismiss the Parish's third-party demand against the Clerk. The Clerk's counsel believes the motion is well founded and that the Court will grant the motion.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Governmental Fund - General Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balance- Budget (GAAP Basis) and Actual
Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Fees, charges and commissions for services:				
Recordings	\$ 400,000	\$ 400,000	\$ 398,427	(\$ 1,573)
Cancellations	25,000	25,000	23,062	(1,938)
Mortgage certificates	35,000	35,000	28,716	(6,284)
Certified copies	25,000	25,000	24,378	(622)
Court attendance	5,000	5,000	4,031	(969)
Criminal fees	72,000	72,000	67,231	(4,769)
Suits and successions	460,000	460,000	491,798	31,798
Elections	60,000	60,000	50,148	(9,852)
Notarial fees	500	500	510	10
Miscellaneous	37,000	37,000	48,838	11,838
Marriage licenses	15,000	15,000	13,205	(1,795)
Interest	10,000	10,000	9,940	(60)
Total Revenues	<u>1,144,500</u>	<u>1,144,500</u>	<u>1,160,284</u>	<u>15,784</u>
EXPENDITURES				
Judiciary:				
Personal services	679,850	679,850	682,616	(2,766)
Employee benefits	175,200	175,200	188,729	(13,529)
Travel & professional development	15,000	15,000	6,358	8,642
Operating services	159,750	159,750	99,070	60,680
Supplies	111,500	111,500	115,574	(4,074)
Debt service				
Principal	-	-	12,853	(12,853)
Interest and other charges	-	-	8,539	(8,539)
Capital Outlay	3,200	3,200	42,500	(39,300)
Total Expenditures	<u>1,144,500</u>	<u>1,144,500</u>	<u>1,156,239</u>	<u>(11,739)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>4,045</u>	<u>4,045</u>
Other Financing Sources				
Loan Proceeds	-	-	25,917	25,917
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>-</u>	<u>-</u>	<u>29,962</u>	<u>29,962</u>
Fund Balance at Beginning of Year	<u>241,480</u>	<u>241,480</u>	<u>241,480</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 241,480</u>	<u>\$ 241,480</u>	<u>\$ 271,442</u>	<u>\$29,962</u>

The accompanying notes are an integral part of this schedule .

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Governmental Fund - General Fund
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance- Budget (GAAP Basis) and Actual
 Year Ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Fees, charges and commissions for services:				
Recordings	\$ 300,000	\$ 300,000	\$ 334,664	\$34,664
Cancellations	25,000	25,000	20,154	(4,846)
Mortgage certificates	60,000	60,000	30,630	(29,370)
Certified copies	30,000	30,000	23,834	(6,166)
Court attendance	5,000	5,000	4,304	(696)
Criminal fees	80,000	80,000	73,489	(6,511)
Suits and successions	498,000	498,000	458,879	(39,121)
Elections	45,000	45,000	48,580	3,580
Notarial fees	400	400	400	-
Miscellaneous	35,000	35,000	60,288	25,288
Marriage licenses	20,000	20,000	12,575	(7,425)
Interest	20,000	20,000	14,771	(5,229)
<u>Total Revenues</u>	<u>1,118,400</u>	<u>1,118,400</u>	<u>1,082,568</u>	<u>(35,832)</u>
EXPENDITURES				
Judiciary:				
Personal services	699,100	699,100	675,020	24,080
Employee benefits	152,500	152,500	179,321	(26,821)
Travel & professional development	15,000	15,000	9,771	5,229
Operating services	148,800	148,800	141,050	7,750
Supplies	83,000	83,000	100,715	(17,715)
Debt service				
Principal	-	-	15,710	(15,710)
Interest and other charges	-	-	10,046	(10,046)
Capital Outlay	20,000	20,000	9,671	10,329
<u>Total Expenditures</u>	<u>1,118,400</u>	<u>1,118,400</u>	<u>1,141,304</u>	<u>(22,904)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(58,736)</u>	<u>(58,736)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>300,216</u>	<u>300,216</u>	<u>300,216</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 300,216</u>	<u>\$ 300,216</u>	<u>\$ 241,480</u>	<u>(\$58,736)</u>

The accompanying notes are an integral part of the schedule

ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON

MEMBER

AMERICAN INSTITUTE OF CPAs
SOCIETY OF LOUISIANA CPAs

P.O. BOX 98

412 AVENUE B

BOGALUSA, LOUISIANA 70429-0098

(985) 732-1811

FAX (985) 732-1812

rancpa@acisnetworks.com

COVINGTON OFFICE

600 N. HIGHWAY 190

SUITE 208

COVINGTON, LOUISIANA

(MAILING ADDRESS: P. O. BOX 98)

BOGALUSA, LOUISIANA 70429-0098)

(985) 892-7940

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

Honorable Johnny D. Crain
Washington Parish Clerk of Court
Franklinton, Louisiana

I have audited the basic financial statements of the Washington Parish Clerk of Court, a component unit of the Washington Parish Government, as of and for the two years ended June 30, 2004, and have issued my report thereon dated November 18, 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 Washington 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 disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of corrective action plan for current year audit findings as items 04-2 and 04-3. I also noted certain immaterial instances of noncompliance that I have reported to management of the Washington Parish Clerk of Court, in a separate letter dated November 18, 2004.

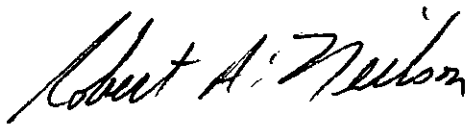
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington 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. However, I noted a certain matter involving the internal control over

financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Washington Parish Clerk of Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying schedule of corrective action plan for current year audit findings as item 04-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above as item 04-1, is considered to be a material weakness. I also noted other matters involving the internal control over financial reporting that I have reported to management of the Washington Parish Clerk of Court in a separate letter dated November 18, 2004.

This report is intended solely for the information and use of the Washington Parish Clerk of Court, its management, and the Office of the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant

Bogalusa, Louisiana
November 18, 2004

ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

P.O. BOX 98

412 AVENUE B

BOGALUSA, LOUISIANA 70429-0098

(985) 732-1811

FAX (985) 732-1812

ranepa@acisnetworks.com

COVINGTON OFFICE

600 N. HIGHWAY 190

SUITE 208

COVINGTON, LOUISIANA

(MAILING ADDRESS: P. O. BOX 98

BOGALUSA, LOUISIANA 70429-0098)

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ROBERT A. NEILSON

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AMERICAN INSTITUTE OF CPA'S

SOCIETY OF LOUISIANA CPA'S

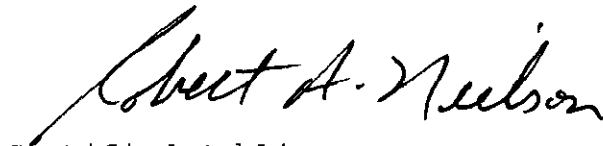
WASHINGTON PARISH CLERK OF COURT
MANAGEMENT LETTER

I have audited the basic financial statements of Washington Parish Clerk of Court as of and for the two years ended June 30, 2004, and have issued my report thereon dated November 18, 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.

As part of my audit, I have issued my report on the financial statements, dated November 18, 2004, and my report on internal control and compliance with laws, regulations, and contracts, dated November 18, 2004.

During the course of my audit, I became aware of matters which represent immaterial deviations of compliance or suggestions for improved internal controls. These matters are presented in the Corrective Action Plan for Current Year Audit Findings, Section II and in the Summary Schedule of Prior Audit Findings, Section II.

I recommend management address the foregoing issues as an improvement to operations and the administration of public programs. I am available to further explain the suggestions or help implement the recommendations.



Certified Public Accountant

Bogalusa, Louisiana

November 18, 2004

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Corrective Action Plan for Current Year Audit Findings
 For the Two Years Ended June 30, 2004

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
Section I - Internal Control and Compliance Material to the Financial Statements				
04-1	Inadequate Segregation of Duties - The size of the Washington Parish Clerk of Court operations and the limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control.	There is no corrective action planned. To hire the personnel to achieve an adequate separation of duties and to implement an adequate system of internal control would not be cost beneficial.	Johnny D. Crain Daphne Phelps Janet Riley	None
04-2	The Clerk purchased a vehicle in January, 2004 at a cost of \$35,917. Three written bids were received and the lowest bid was accepted. However, there was no evidence of advertisement for bids. The public bid law requires that all purchases of material and supplies of \$15,000 or more be advertised and let to the lowest responsible bidder	The public bid law will be considered and followed for all future purchases.	Johnny D. Crain	N/A
04-3	The Clerk financed the vehicle acquired in finding 04-2 through a bank loan in the amount of \$25,917. The Clerk did not received approval of the state bond commission to incur this debt.	Approval of the state bond commission will be obtained in the future before any debt is incurred.	Johnny D. Crain	N/A

Section II - Management Letter

04-4	Advance Deposit Fund - The ending balance on the monthly computer "balance sheet" report and the reconciled monthly bank balance do not agree. Although a manual reconciliation is done each month, there are unidentified differences between the two balances.	The software vendor will continue to provide periodic updates as part of its support of the computer system. During this ongoing process, the reasons for the differences should be identified and resolved.	Johnny D. Crain Daphne Phelps Janet Riley	The software vendor is not presently able to provide a date by which the problem will be fixed.
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WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Corrective Action Plan for Current Year Audit Findings
 For the Two Years Ended June 30, 2004

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
04-5	Advance Deposit Fund - The computer system cannot produce a report of all open suits showing suit number, name, activity, and suit balance at the end of the year.	There is no corrective action planned. The software vendor, who sells and maintains the software for the Washington Parish Clerk of Court and approximately fifty-five other clerks of court in Louisiana, has no plans to change the program so that this report can be produced. Detailed information can be obtained for each individual suit. However, in order to receive a report of all open suits, each suit number would have to be reentered into the computer system. Producing the report in this manner would not be cost beneficial.	Johnny D. Crain Daphne Phelps Janet Riley	There is no anticipated completion date.
04-6	Expenditure reports filed with the Washington Parish Government and with the Washington Parish Clerk of Court under L.R.S. 42:283-286 did not include all the required information	The Washington Parish Clerk of Court intends to include all the required information in future reports	Johnny D. Crain Daphne Phelps Janet Riley	July 2005

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Summary Schedule of Prior Audit Findings
 For the Two Years Ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken	Additional Explanation
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Section I - Internal Control and Compliance Material to the Financial Statements

96-1	June 30, 1992	Segregation of Duties - The size of the Washington Parish Clerk of Court operations and limited staff preclude an adequate system of internal control.	None	No corrective action is planned.	It would not be cost beneficial to hire the additional personnel needed to achieve an adequate segregation of duties.
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Section II - Management Letter

96-9	June 30, 1996	Advance Deposit Fund - The ending balance on the computer "balance sheet" report and the reconciled monthly bank balance do not agree.	None	A manual reconciliation of the monthly computer "balance sheet" to the reconciled cash balance is being done each month. However, there are still unlocated differences between the two balances.	The software vendor will continue to provide periodic updates as part of its support of the computer system. During this ongoing process, the differences should be identified and resolved.
96-10	June 30, 1996	Advance Deposit Fund - The computer system cannot produce a report of all open suits showing suit number, name, activity, and suit balance at the end of the year.	None	Detailed information can be obtained for each individual suit. However, in order to receive a report of all open suits, each suit number would have to be reentered into the computer system. Producing the report in this manner would not be cost beneficial.	The computer system still can't produce a report for all open suits showing suit number, name, activity and suit balance at the end of the year. The software vendor has not made the necessary changes to the program to allow the system to produce this report.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Summary Schedule of Prior Audit Findings
For the Two Years Ended June 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
02-4	June 30, 2002	Outstanding checks - There are some outstanding checks on the bank reconciliation for the salary fund, and jury fund which have been outstanding for several years	Appropriate action has been taken on old outstanding checks	N/A	None
02-5	June 30, 2002	Registry of Court Fund-A certificate of deposit for a minor was cashed by the tutrix of the minor without a court order. The tutrix executed a stop payment/hold harmless agreement with the bank stating that the original certificate of deposit has been misplaced or lost. However, the original certificate of deposit was in the possession of the Washington Parish Clerk of Court. All withdrawals from the Registry of Court Fund should be done by court order. I recommend that all current and future certificates of deposit include the name Washington Parish Clerk of Court on the face of the certificate	Management has consulted with legal counsel regarding the titling of certificates of deposits placed with the Clerk of Court for safekeeping. However, there were no new certificates of deposit during the current audit period.	N/A	None

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Summary Schedule of Prior Audit Findings
For the Two Years Ended June 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
02-6	June 30, 2002	Expenditure reports required to be filed with the Washington Parish Government and with the Washington Parish Clerk of Court under L.R.S. 42:283-286 were not filed.	The Washington Parish Clerk of Court timely filed the reports but not all required information was included in the reports.	The Washington Parish Clerk of Court intends to fully comply with L.R.S. 42:283-286	None
02-7	June 30, 2002	Bank reconciliations for the salary fund did not include the check number and check amount for all outstanding checks.	The bank reconciliations now include the check number and check amount for all outstanding checks.	N/A	None
02-8	June 30, 2002	Actual expenditures exceeded budgeted expenditures by 17.6% for the year ended June 30, 2002. Louisiana Revised Statutes 39:1310 requires that the budget be amended when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.	Actual expenditures did not exceed budgeted expenditures by five percent or more for the years ended June 30, 2004 and 2003.	N/A	None