

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2004

David Q. Richardson
Certified Public Accountant
P.O. Box 891
Tallulah, Louisiana 71284
318-574-0514

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 1-19-05

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
TABLE OF CONTENTS

	Exhibit	Page No.
Independent Auditor's Report		3-4
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		6-7
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Assets	A	9
Statement of Activities	B	10
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	11
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Assets	D	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities	F	14
Fiduciary - Agency Funds:		
Statement of Fiduciary Net Assets	G	15
Notes to the Financial Statements		17-27
	Schedule	Page No.
Required Supplemental Information (Part II):		
Budget Comparison Schedule - General Fund	1	29
Other Supplemental Schedules (Part III):		
Fiduciary Fund Type- Agency Funds- Combining Schedule of Changes in Unsettled Deposits	2	31

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
TABLE OF CONTENTS (cont.)

Compliance Reporting

	<u>Page No.</u>
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	33-34
Schedule of Findings and Questioned Costs	35
Schedule of Prior Year Findings	36
Management's Corrective Action Plan	37

David Q. Richardson
Certified Public Accountant
P.O. Box 891
Tallulah, Louisiana 71284
318-574-0514

INDEPENDENT AUDITOR'S REPORT

Edna Bishop Brock
East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana

I have audited the accompanying basic financial statements of the East Carroll Parish Clerk of Court, a component unit of the East Carroll 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 East Carroll Parish Clerk of Court. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. 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 the clerk, 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 in the first paragraph present fairly, in all material respects, the financial position of the East Carroll Parish Clerk of Court, and the changes in its financial position for the year ended in conformity with generally accepted accounting principles.

As described in Note 1 to the financial statements, the clerk 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 June 30, 2004.

Management's discussion and analysis, and supplementary information on pages 6 through 7 and 29, respectively are not a required part of the basic financial statements, but are supplementary 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 required supplementary information and reviewing the source of selected information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental information schedule (Part III) listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the East Carroll Parish Clerk of Court. Such information has been subjected to the

INDEPENDENT AUDITOR'S REPORT

Page Two

auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Governmental Auditing Standards*, I have also issued a report dated August 9, 2004, on the East Carroll Parish Clerk of Court's compliance with laws and regulations, and my consideration of the Clerk's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Tallulah, Louisiana
August 9, 2004



REQUIRED SUPPLEMENTAL INFORMATION

PART I



Edna Bishop Brock
Clerk of Court - East Carroll Parish
Lake Providence, Louisiana 71254-2695

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) is a required element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No.34. Its purpose is to provide an overview of the financial activities of the East Carroll Parish Clerk of Court based on current facts and conditions. This narrative overview and analysis of the financial activities should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

The East Carroll Parish Clerk of Court's office is debt-free. The only liabilities are normal accounts payable, compensated absences, and the Statutory payable to the Police Jury.

Government-Wide Financial Statements:

The government-wide financial statements consist of two statements. These are the statement of net assets and statement of activities. The statement of net assets presents information on all of the East Carroll Parish Clerk of Court's assets and liabilities, with the difference between the two 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 East Carroll Parish Clerk of Court is improving or deteriorating. The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave). These statements disclose that in the current year the clerk's net assets decreased by \$28,594.64, but this was after a statutory transfer to the police jury of \$65,496.70. Therefore, the current year's operation of the clerk's office resulted in a \$36,902.06 net increase in assets before the clerk transferred funds to the police jury.

Fund Financial Statements:

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 East Carroll Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the East Carroll Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) 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 fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Fund Financial Statements: (cont.)

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

The current year statement of revenues, expenditures, and changes in fund balances has a \$50,055.59 excess of expenditures over revenue, but this is after a purchase of equipment of \$22,637.50 and a statutory transfer to the police jury of \$65,496.70. Any surplus the clerk's office accumulated in excess of 1/2 of the revenues in the last year of a term must be transferred to the police jury. I am very proud to report that over the last four year term the clerk's office revenue received exceeded its expenditures by \$147,386.63. Of this \$147,386.63 surplus, \$65,496.70 will be transferred to the police jury and \$81,889.93 retained by the clerk's office to insure adequate working capital for future operations.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the East Carroll Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Requests for Information

This financial report is designed to provide a general overview of the East Carroll Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the East Carroll Parish Clerk of Court, East Carroll Parish Courthouse, Lake Providence, Louisiana 71254.


August 9, 2004

BASIC FINANCIAL STATEMENTS

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	General Fund
Assets	
Cash and cash equivalents	\$ 200,202.31
Investments	60,000.00
Receivables	7,156.27
Capital assets, net of accumulated depreciation	<u>88,358.55</u>
 Total Assets	 <u>355,717.13</u>
 Liabilities:	
Accounts payable	3,567.84
<i>Due East Carroll Parish Police Jury</i>	65,496.70
Compensated absences payable	<u>13,021.04</u>
 Total Liabilities	 <u>82,085.58</u>
 Net Assets	 <u>273,631.55</u>
 Net Assets	
Invested in Capital Assets	88,358.55
Unrestricted	<u>185,273.00</u>
 Total Net Assets	 <u>\$ 273,631.55</u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General Fund</u>
Expenses	
Personal services	\$ 211,674.07
Related benefits	65,090.17
Operating services	20,275.40
Materials and supplies	49,697.98
Travel and convention	12,597.86
Depreciation	350.54
Intergovernmental-statutory transfer to police jury	65,496.70
Total program expenses	<u>425,182.72</u>
Program Revenues	
Charges for services	362,701.68
License and permits	9,052.37
Other charges	20,037.14
Total program revenue	<u>391,791.19</u>
Net program expenses	(33,391.53)
General Revenues	
Interest income	<u>4,796.89</u>
Change in Net Assets	(28,594.64)
Net Assets - Beginning	<u>302,226.19</u>
Net Assets - Ending	<u><u>\$ 273,631.55</u></u>

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

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
BALANCE SHEET- GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	General Fund
Assets	
Cash and cash equivalents	\$ 200,202.31
Receivables	7,156.27
Investments	60,000.00
Total Assets	267,358.58
 Liabilities and Fund Equity	
Liabilities:	
Accounts payable	3,567.84
Due to East Carroll Parish Police Jury	65,496.70
Total Liabilities	69,064.54
 Fund Equity	
Fund balance - unreserved - undesignated	198,294.04
Total Liabilities and Fund Equity	\$ 267,358.58

The accompanying notes are an integral part of this financial statement.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

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

Fund Balances, Total Government Funds (Exhibit C)	\$ 198,294.04
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	88,358.55
Long-term liabilities including compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds. - Compensated absences payable	<u>(13,021.04)</u>
Net Assets of Governmental Activities (Exhibit A)	<u>\$ 273,631.55</u>

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

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

Revenues		
Licenses and permits - marriage	\$ 875.00	
Fees, charges, and commissions for services:		
Court costs, fees, and charges	193,678.22	
Fees for recording legal documents	151,413.46	
Fees for certified copies of documents	3,197.00	
Charges for use of photocopier	14,413.00	
Elections	8,177.37	
Use of money and property - interest earnings	4,796.89	
Miscellaneous	20,037.14	
Total revenues	<u>396,588.08</u>	396,588.08
 Expenditures		
General government:		
Personal service and related benefits	275,938.23	
Operating services	20,275.40	
Material and supplies	49,697.98	
Travel and conventions	12,597.86	
Intergovernmental-statutory transfer to		
Police Jury	65,496.70	
Capital outlay	22,637.50	
Total expenditures	<u>446,643.67</u>	446,643.67
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(50,055.59)
FUND BALANCE AT BEGINNING OF YEAR		<u>248,349.63</u>
FUND BALANCE AT END OF YEAR		<u>\$ 198,294.04</u>

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

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

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

Net Change in Fund Balances, Total Governmental Funds, (Exhibit E)	\$(50,055.59)
--	---------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	22,286.96
---	-----------

The long-term obligation of compensated absences payable increased by \$826.01 in the current period, but was not recorded as an expenditure on Exhibit E because it will not be paid from current assets, but it is included as an expense on Exhibit B.	<u>(826.01)</u>
---	-----------------

Change in Net Assets of Governmental Activities, (Exhibit B)	<u><u>\$(28,594.64)</u></u>
--	-----------------------------

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

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

	Advance Deposit Fund	Registry Of Court Fund	Total
Assets			
Cash and cash equivalents	\$ 104,733.76	\$ 32,763.66	\$ 137,497.42
Accounts receivable	1,374.32	-	1,374.32
Investments	35,461.06	-	35,461.06
Total Assets	<u>141,569.14</u>	<u>32,763.66</u>	<u>174,332.80</u>
Liabilities			
Due to General Fund	809.12	-	809.12
Unsettled deposits	140,760.02	32,763.66	173,523.68
Total Liabilities	<u>\$ 141,569.14</u>	<u>\$ 32,763.66</u>	<u>\$ 174,332.80</u>

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

1
2
3
4

5

6

7

8

NOTES TO THE FINANCIAL STATEMENTS

9

10

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the East Carroll 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.

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the East Carroll Parish Police Jury. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the police jury, the clerk of court was determined to be a component of the East Carroll 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.

C. FUND ACCOUNTING

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.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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 purpose for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following are the clerk's governmental funds:

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 held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Exhibit C and E, 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 (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund of Exhibits C and E, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measureable and available). Measureable means the

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fund Financial Statements (FFS) (cont.)

amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements 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

Recording, cancellations, court attendance, criminal cost, etc., are recorded in the year in which they are earned.

Interest income on investments is recorded as it is earned through the use of accruals.

Substantially, all other revenues are recorded when received.

Expenditures

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities (Exhibit A & B) report information about the clerk as a whole. These statements include all the financial activities of the clerk. Information contained in these statements reflect 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*.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Government-Wide Financial Statements (GWFS) (cont.)

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

Reconciliation

The reconciliation of these items reflected in Statement of Net Assets (Exhibit A) and Statement of Activities (Exhibit B) to the fund financial statements are as follows:

Statement of Net Assets to Fund Balance Sheet:

	<u>Fund Accounts</u>	<u>Net Assets</u>	<u>Adjustments</u>
Capital Assets	\$ -	\$ 88,709.09	\$ 88,709.09
Accumulated depreciation	-	(350.54)	(350.54)
Compensated absences payable	-	(13,021.04)	(13,021.04)
Total	<u>\$ -</u>	<u>\$ 75,337.51</u>	<u>\$ 75,337.51</u>

Statement of Activities to Statement of Revenues and Expenditures:

Depreciation expense	\$ -	\$ 350.54	\$ (350.54)
Capital outlay	22,637.50	-	22,637.50
Total	<u>\$ 22,637.50</u>	<u>\$ 350.54</u>	<u>\$ 22,286.96</u>

E. BUDGETARY PRACTICES

The clerk of court has the following budgetary practices:

The annual budget is adopted using the prior years revenues and expenditures as a guide. The budget is reviewed and adjusted every six months for extraordinary revenues or expenditures. The budget presented in the accompanying financial statements is shown on the cash basis of accounting.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. BUDGETARY PRACTICES (cont.)

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All annual appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk of court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America, or under the laws of the United States of America.

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the clerk of court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2004 all of the clerk's investments were certificate of deposits with original maturities in excess of 90 days.

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimate fair market value at the date of donation. The clerk maintains a threshold level of \$1,000.00 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture and Fixtures	5-10 years
Vehicles	4-5 years

EAST CARROLL CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

I. COMPENSATED ABSENCES

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

Employees accrue 10 days annual leave each year and 12 days sick leave each year. There is no limit on the accumulation of annual leave, but a 30 day limit on sick leave. Upon retirement or death, employees are paid for all unused annual and sick leave.

The clerk's recognition and measurement criteria for compensated absences is as follows:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the clerk will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.
- c. An accrual for earned sick leave is made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The clerk estimates its accrued sick leave based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The current portion of the liability for compensated absences is reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is adjusted into the entity-wide column on Exhibits A and B.

At June 30, 2004, employees of the clerk of court had accumulated and vested \$ 13,021.04 of employee leave benefits. Of this amount, zero is recorded as an obligation of the General Fund and \$13,021.04 is recorded as long-term obligations in the entity-wide statements.

J. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of , damage to , and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering her automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

J. RISK MANAGEMENT (cont.)

There were no significant reductions in insurance coverage during the year ended June 30, 2004.

K. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriated for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

R.S. 13:875 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 her term of office. At June 30, 2004, there was \$65,496.70 due the parish treasurer for the amount that the General's Fund's balance exceeded one-half of the current year revenue.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require the clerk 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 amount of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

As reflected in the Combined Balance Sheet, the East Carroll Parish Clerk of Court had cash and cash equivalents totaling \$ 337,699.73, at June 30, 2004. The bank balances at June 30, 2004 were \$381,482.25, of which \$200,000.00 was insured from loss by FDIC insurance and \$181,482.25 was secured by the pledge

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - CASH AND CASH EQUIVALENTS (cont.)

of securities. Cash and investments are stated at cost which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

NOTE 3 - INVESTMENTS

At June 30, 2004, the Clerk had investments totaling \$95,461.06, which included only certificates of deposit, each having an original maturity in excess of 90 days from the date acquired. The investments are in the name of the Clerk and are held at the Clerk's office. These investments are covered by federal depository insurance.

Following are investments of the Clerk at year end categorized to give an indication of the level of risk assumed by the Clerk. Category 1 includes investments that are insured by FDIC insurance. Category 2 includes investments for which the securities are held by the financial institution's trust department or agent in the name of the Clerk.

Certificates of Deposit:	Carrying Amount <u>Fair Value</u>
Category 1	\$ 95,461.06
Category 2	-
Total	<u>\$ 95,461.06</u>

NOTE 4 - RECEIVABLES

The breakdown on General Fund Receivables at June 30, 2004, as shown on the accompanying balance sheet, is as follows:

Criminal fees	\$ 2,004.00
Mortgages	307.00
Cancellation	101.00
Certified copies	66.00
Notary	1,195.00
Court attendance	400.00
Photocopies	110.00
Recording	1,720.50
Accrued interest	443.65
Total	<u>\$ 6,347.15</u>

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in equipment follows:

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
Equipment	\$ 77,171.59	\$ 22,637.50	\$ 11,100.00	\$ 88,709.09
Less accumulated depreciation	-	350.54	-	350.54
Capital assets - net	<u>\$ 77,171.59</u>	<u>\$ 22,286.96</u>	<u>\$ 11,100.00</u>	<u>\$ 88,358.55</u>

NOTE 6 - PENSION PLAN

Substantially all employees are members of the Clerks of Court Retirement and Relief Fund, a multiple-employer Public Employee Retirement System (PERS), controlled and 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% 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 benefits accrued to their date of termination. The System provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Clerk of Court Retirement & Relief Fund, 11745 Bricksome Avenue, Suite B2, 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 salary and the East Carroll Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.00% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the East Carroll Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The East Carroll Parish Clerk Court's contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$25,003.02, \$20379.00, and \$19,943.04, respectively, equal to the required contributions for each year.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 7 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The Clerk's only long-term obligation was compensated absences. The following is a summary of the changes in the obligations for the year ended June 30, 2004.

Balance at July 1, 2003	\$ 12,195.03
Additions	826.01
Deductions	<u>-</u>
 Obligation at June 30, 2004	 <u><u>\$ 13,021.04</u></u>

NOTE 8- EXPENSES OF THE CLERK PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the clerk's office are paid by the parish police jury. The Police Jury paid the electric bills for the clerk's office, and provided office space. None of these expenses are included in the financial statements.

NOTE 9 -CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	Unsettled Deposits July 1, 2003	Additions	Reductions	Unsettled Deposits June 30, 2004
Agency Funds	\$ 165,398.49	\$ 143,883.67	\$ 168,522.14	\$ 140,760.02
Registry of Court Fund	60,341.35	20,217.32	47,795.01	32,763.66
Total	<u>\$ 225,739.84</u>	<u>\$ 164,100.99</u>	<u>\$ 216,317.15</u>	<u>\$ 173,523.68</u>

NOTE 10 - HEALTH AND LIFE INSURANCE BENEFITS

The Louisiana Clerk of Court Association provides health care and life insurance benefits for its employees. Substantially, all of the Clerk of Court General Fund employees are covered by the Louisiana Clerk of Court Association Insurance Program. During the year ended June 30, 2004, the General Fund paid for those benefits.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 11 - FIDUCIARY FUND TYPE - AGENCY FUNDS

Advance Deposit Fund

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed against litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

**EAST CARROLL PARISH CLERK OF COURT
GOVERNMENTAL FUND-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (BUDGET BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Recording	\$ 138,000.00	\$ 140,000.00	\$ 151,403.10	\$ 11,403.10
Cancellation	19,700.00	20,000.00	22,707.00	2,707.00
Mortgages	7,000.00	5,600.00	6,932.00	1,332.00
Marriage licenses	900.00	600.00	875.00	275.00
Notary	2,500.00	1,700.00	1,795.00	95.00
Certified copies	4,500.00	3,500.00	3,352.00	(148.00)
Photocopies	15,000.00	14,000.00	14,488.00	488.00
Court attendance	2,000.00	2,000.00	2,060.00	60.00
Criminal fees	46,800.00	43,900.00	58,446.01	14,546.01
Suits	90,100.00	100,000.00	101,312.87	1,312.87
Interest	5,500.00	5,000.00	5,001.45	1.45
Elections	10,000.00	6,800.00	8,177.37	1,377.37
Clerk's reimbursement	14,700.00	14,900.00	15,250.00	350.00
Miscellaneous	100.00	100.00	0.00	(100.00)
Birth certificates	2,500.00	3,400.00	4,536.00	1,136.00
Total revenues	<u>359,300.00</u>	<u>381,500.00</u>	<u>396,335.80</u>	<u>34,835.80</u>
EXPENDITURES				
Salaries:				
Clerk	86,790.00	87,525.10	87,525.10	0.00
Deputies	118,296.00	124,278.08	124,278.08	0.00
Office supplies	14,200.00	14,200.00	21,932.83	(7,732.83)
Insurance	32,304.00	32,806.00	32,789.85	18.15
Travel:				
Clerk's allowance	14,700.00	8,752.47	8,752.47	0.00
Travel and convention	1,500.00	1,107.69	840.69	267.00
Other expenditures:				
Election expense	6,800.00	5,239.28	5,910.27	(671.01)
Auto supplies	3,000.00	3,000.00	3,050.82	(50.82)
Microfilming	1,500.00	2,200.00	2,017.49	182.51
Clerk's Comp Fund	-	14,700.00	3,045.00	11,655.00
Miscellaneous	380.00	380.00	40.02	339.98
Repairs & maintenance	-	15,000.00	8,160.00	6,840.00
Employment taxes	4,000.00	900.00	475.87	424.13
Retirement	20,379.00	25,003.02	25,003.02	0.00
Deferred compensation	-	4,539.00	4,441.67	97.33
Marriage license fees	500.00	400.00	585.59	(185.59)
Universal Commercial Code	29,000.00	31,442.66	32,910.00	(1,467.34)
Birth certificates	2,000.00	2,940.00	2,589.00	351.00
Capital outlay	-	22,000.00	22,637.50	(637.50)
Insurance and bonds	400.00	400.00	435.00	(35.00)
Total expenditures	<u>335,749.00</u>	<u>396,813.28</u>	<u>387,420.27</u>	<u>9,393.01</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 23,551.00</u>	<u>\$ (35,313.28)</u>	<u>8,915.53</u>	<u>\$ 44,228.81</u>
ADJUSTMENTS				
Accrued revenue			252.28	
Accrued expenditures			6,273.30	
Intergovernmental-statutory transfer to Police Jury			(65,496.70)	
Total adjustments (budget to GAAP basis)			<u>(58,971.12)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (GAAP BASIS)			<u>(50,055.59)</u>	
FUND BALANCE-BEGINNING			<u>248,349.63</u>	
FUND BALANCE-ENDING			<u>\$ 198,294.04</u>	

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTAL SCHEDULES

PART III

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF CHANGES IN FIDUCIARY UNSETTLED DEPOSITS
FOR THE YEAR ENDED JUNE 30 , 2004

	Advance Deposit Fund	Registry Of Court Fund	Total
Additions:			
Deposits:			
Suits and successions	\$ 143,883.67	\$ 20,041.95	\$ 163,925.62
Interest earnings of investments	-	175.37	175.37
Total additions	143,883.67	20,217.32	164,100.99
Reductions:			
Clerk's costs - local	101,312.87	-	101,312.87
Settlements to litigants	32,505.81	47,795.01	80,300.82
Attorney, curators and notarial fees	14,255.07	-	14,255.07
Witness, appraisers, keepers, etc.	618.69	-	618.69
Sheriff's fees	19,829.70	-	19,829.70
Total reductions	168,522.14	47,795.01	216,317.15
Change in Unsettled Deposits	(24,638.47)	(27,577.69)	(52,216.16)
Unsettled Deposits - Beginning	165,398.49	60,341.35	225,739.84
Unsettled Deposits - Ending	\$ 140,760.02	\$ 32,763.66	\$ 173,523.68

The accompanying notes are an integral part of this statement.

COMPLIANCE REPORTING

David Q. Richardson
Certified Public Accountant
P.O. Box 891
Tallulah, Louisiana 71284
318-574-0514

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

Edna Bishop Brock
East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana

I have audited the general purpose financial statements of the East Carroll Parish Clerk of Court, Lake Providence, Louisiana, for the year ended June 30, 2004, and have issued my report thereon dated August 9, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Compliance

As part of obtaining reasonable assurance about whether East Carroll Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws and regulations, 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 object of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered East Carroll 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 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 internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

East Carroll Parish Clerk of Court
Lake Providence, Louisiana
Page Two

This report is intended solely for the information and use of the East Carroll Parish Clerk of Court's management and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties, although the intended use of these reports may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Tallulah, Louisiana
August 9, 2004

A handwritten signature in black ink, appearing to read "David R. Rouse". The signature is written in a cursive style with a large initial "D" and a long, sweeping underline.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

I have audited the general purpose financial statements of East Carroll Parish Clerk of Court as of and for the year ended June 30, 2004, and have issued my report thereon dated August 9, 2004. I conducted my audit with general accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. My audit of financial statements as of June 30, 2004 resulted in an unqualified opinion.

A. SUMMARY OF AUDIT RESULTS

- 1 *The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Clerk of Court.*
- 2 *No instances of noncompliance material to the financial statements of the East Carroll Clerk of Court were disclosed during the audit.*
- 3 *No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.*

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

None - No management letter issued.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II. Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III. Management Letter

No Management letter was issued in the prior year.

EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II. Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III. Management Letter

No management letter was issued.