
WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

FINANCIAL STATEMENTS

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



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WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2004



WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2004

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INDEPENDENT AUDITORS' REPORT

Honorable Felicia Ann Hendl
West Feliciana Parish Clerk of Court
St. Francisville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the West Feliciana Parish Clerk of Court, as of and for the year ended June 30, 2004, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Feliciana Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

As described in Note 2 to the financial statements, the Clerk adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2003. This results in a change in the format and content of the financial statements.

The Management's Discussion and Analysis and budgetary comparison information on pages 4 through 9, and 26 respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2004 on our consideration of the West Feliciana Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Paaththarath S. Mithradly

Baton Rouge, LA
December 17, 2004





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

Honorable Felicia Ann Hendl
West Feliciana Parish Clerk of Court
St. Francisville, Louisiana

We have audited the financial statements of the West Feliciana Parish Clerk of Court as of and for the year ended June 30, 2004, and have issued our report thereon dated December 17, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Feliciana Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we considered to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Clerk's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the Schedule of Findings and Questioned Costs. A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We believe that the lack of segregation of duties described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Feliciana Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed three instance of noncompliance or other matters that are required to be reported under *Government Auditing Standard* which are described in the accompanying schedule of findings and questioned costs as items 04-2, 04-3, and 04-4.

This report is intended solely for the information and use of the Clerk and management, 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.

Baton Rouge, LA
December 17, 2004

WEST FELICIANA PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004

This section of West Feliciana Parish Clerk of Court's annual financial report presents our discussion and analysis of the Clerk's financial performance during the fiscal year that ended on June 30, 2004. Please read it in conjunction with the transmittal letter at the front of this report and the Clerk's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Clerk's total net assets increased approximately \$22,000 over the course of this year's operations.
- During the year, the Clerk's expenses were \$333,290.
- The General fund reported net income this year of \$22,113.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the financial statements, and required supplementary information, and other supplemental information. The financial statements include two kinds of statements that present different views of the Clerk:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Clerk's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Clerk's government, reporting the Clerk's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the Clerk acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Clerk's financial statements, including the portion of the Clerk's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

WEST FELICIANA PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004

	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire Clerk government (except fiduciary funds)	The activities of the Clerk that are not proprietary or fiduciary, such as general government	Instances in which the Clerk is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statements of fiduciary net assets • Statements of changes in fiduciary net assets
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Clerk's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid.

WEST FELICIANA PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

Government-wide Statements

The government-wide statements report information about the Clerk as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Clerk's net assets and how they have changed. Net assets—the difference between the Clerk's assets and liabilities—is one way to measure the Clerk's financial health, or position.

- Over time, increases or decreases in the Clerk's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Clerk you need to consider additional nonfinancial factors such as the growth of Ascension Parish.

The government-wide financial statements of the Clerk include:

- *Governmental activities*—most of the Clerk's basic services are included here, such as personal services and benefits, and operating activities. Charges for services such as, recording, suits, certified copies, and criminal fees finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Clerk's most significant funds—not the Clerk as a whole. Funds are accounting devices that the Clerk uses to keep track of specific sources of funding and spending for particular purposes.

The Clerk has two kinds of funds:

- *Governmental funds*—Most of the Clerk's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary funds*— These funds are used as depositories for suits. Disbursements from these funds are made to various litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Clerk's government-wide financial statements because the Clerk cannot use these assets to finance its operations.

WEST FELICIANA PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

FINANCIAL ANALYSIS OF THE CLERK AS A WHOLE

Net assets. The Clerk's net assets increased \$22,113 or 27 percent for the fiscal year ended June 30, 2004. (See Table A-1.)

Table A-1
Clerk's Net Assets

	Governmental Activities
Cash and other assets	\$85,823
Capital assets, net	26,422
Total assets	112,245
Current liabilities	6,764
Total liabilities	6,764
Net assets	
Invested in capital assets, net of related debt	26,422
Unrestricted	72,295
Total net assets	\$105,481

Changes in net assets. The Clerk's total revenues increased \$77,736 or 28 percent. (See Table A-2.) Approximately 88 percent of the Clerk's revenue comes from charges for services. Another 12 percent comes from miscellaneous and interest income.

The total cost of all programs and services increased approximately \$65,000 or 24 percent. The Clerk's expenses cover all services performed by its office.

WEST FELICIANA PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004

Governmental Activities

Revenues for the Clerk's governmental activities increased \$77,736 or 28 percent while total expenses percent.

**Table A-2
Changes in Clerk's Net Assets**

	Governmental Activities
Revenues	
Program revenues	
Charges for services	\$313,797
General revenues	
Miscellaneous	40,706
Interest	900
Total revenues	\$355,403
Expenses	
Personal services and benefits	\$217,647
Supplies	10,562
Computer	39,109
Other charges	65,972
Total expenses	333,290
Increase in net assets	\$ 22,113

FINANCIAL ANALYSIS OF THE CLERK'S FUNDS

As the Clerk completed the year, its governmental funds reported a fund balance of \$79,059, which is relatively consistent with prior year. The primary reason for the fund's net income is the increase in recording fees as a result of a new statute passed by legislature.

General Fund Budgetary Highlights

Over the course of the year, there were no amendments to the general fund budget.

WEST FELICIANA PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

CAPITAL ASSETS

At the end of 2004, the Clerk had invested \$26,422 in capital assets. (See Table A-3.)

Table A-3
Clerk's Capital Assets
(net of depreciation)

Governmental Activities	
Equipment	\$26,422
Total	\$26,422

This year's major capital assets additions include:

- The purchase of the clerk's computer system costing \$25,000.

This year's major capital disposals include:

- Obsolete office equipment such as copy machines, telephones, desks, printers, workstations, and computers totaling \$41,216.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk is dependent on charges for services for 88 percent of its revenues. The economy is not expected to generate any significant growth nor are interest rates expected to rise in the near future.

CONTACTING THE CLERK'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Clerk's finances and to demonstrate the Clerk's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the West Feliciana Parish Clerk's Office, PO Box 1843, St. Francisville, LA 70775.

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF NET ASSETS

JUNE 30, 2004

ASSETS

Cash and cash equivalents	\$ 29,425
Receivables, net allowance for doubtful accounts of \$250	5,131
Due from other funds	51,267
Capital assets, net of accumulated depreciation	<u>26,422</u>
 TOTAL ASSETS	 <u>112,245</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 802
Salaries payable	<u>5,962</u>
Total current liabilities	<u>6,764</u>
 TOTAL LIABILITIES	 <u>6,764</u>

NET ASSETS

Invested in capital assets	26,422
Unrestricted	<u>72,295</u>
 TOTAL NET ASSETS	 <u>\$ 105,481</u>

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

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u> <u>Governmental Unit</u>
<u>FUNCTIONS/PROGRAMS</u>			
Governmental activities:			
General government	\$ 333,290	\$ 313,797	\$ (19,493)
Total governmental activities	<u>333,290</u>	<u>313,797</u>	<u>(19,493)</u>
General Revenues:			
Miscellaneous			40,706
Interest			<u>900</u>
Total general revenues			<u>41,606</u>
Change in net assets			22,113
Net assets - July 1, 2003			<u>83,368</u>
Net assets - June 30, 2004			<u>\$ 105,481</u>

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

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2004

ASSETS

Cash	\$ 29,425
Accounts receivable (less allowance for doubtful accounts of \$250)	5,131
Due from other funds	<u>51,267</u>
Total assets	<u>\$ 85,823</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 802
Salaries payable	<u>5,962</u>
Total liabilities	<u>6,764</u>
Fund balance	
Unreserved - undesignated	<u>79,059</u>
Total fund balance	<u>79,059</u>
Total liabilities and fund balances	<u>\$ 85,823</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total fund balances - Governmental Funds		\$ 79,059
Cost of capital assets at June 30, 2004	32,506	
Less: accumulated depreciation as of June 30, 2004	<u>6,084</u>	<u>26,422</u>
Total net assets at June 30, 2004 - Governmental Activities		<u>\$ 105,481</u>

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

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

Licenses and permits	\$ 2,025
Court costs	2,180
Recording fees	285,300
Certified copies	8,155
Other copies	14,077
Notarial fees	2,060
Miscellaneous	40,706
Interest	900
	<hr/>
Total Revenues	355,403

EXPENDITURES

Current:	
Personal services	217,647
Supplies	10,562
Computer	33,025
Other charges	65,972
Capital outlay	27,929
	<hr/>
Total Expenditures	355,135

Excess of Revenues over Expenditures	268
Fund Balance, July 1, 2003	<hr/> 78,791
Fund Balance, June 30, 2004	<hr/> \$ 79,059

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2004

Excess of Revenue and Other Sources	
Over Expenditures and Other Uses	\$ 268
Capital Assets:	
Capital outlay capitalized	27,929
Depreciation expense for year ended June 30, 2004	<u>(6,084)</u>
Change in Net Assets - Governmental Activities	<u>\$ 22,113</u>

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

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004

ASSETS

Cash	\$ 355,759
Investments	52,585
Outstanding fees receivable	83,198
Total Assets	<u>491,542</u>

LIABILITIES

Unsettled deposits	\$ 391,265
Due to others	49,011
Due to other funds	51,267
Total Liabilities	<u>491,542</u>

NET ASSETS

\$ -

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

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net assets and the statement of activities display information about the primary government (the Clerk). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

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

FUND FINANCIAL STATEMENTS (FFS):

The fund financial statements provide information about the Clerk's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds.

The Clerk reports the following major governmental fund:

General Fund

The General fund is the general operating fund of the Clerk. It is used to account for all financial resources except those required to be accounted for in other funds.

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

FUND FINANCIAL STATEMENTS (continued)

The Clerk reports the following fund types:

Agency Funds

The agency funds are used to account for assets held by the Clerk as an agent for individual, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. REPORTING ENTITY

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Clerk is considered a primary government, since it is a special purpose government, the Clerk is elected, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Clerk may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Clerk also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the Clerk is financially accountable. There are no other primary governments with which the Clerk has a significant relationship.

D. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The GWFS and fiduciary fund statements are reported using the economic resources measurement focus. The government wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Clerk gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Clerk considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

All governmental activities of the Clerk follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

E. CAPITAL ASSETS

All capital assets are capitalized at historical cost, or eliminated historical costs for assets where actual cost is not available. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the estimated useful life of 5 years for equipment.

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

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

F. BUDGETS AND BUDGETARY ACCOUNTING

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 15, the Clerk completes and submits for public inspection an operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing those expenditures.
2. Formal budgetary integration is employed as a management control device during the year for the General Fund.
3. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. Budgeted amounts are as originally adopted, or as amended by the Clerk. Individual amendments were not material in relation to the original appropriations.
5. All annual appropriations lapse at fiscal year end.

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

H. COMPENSATED ABSENCES

Employees earn vacation and sick leave at various rates depending upon the length of their employment. Employees must use their vacation and sick leave during the year earned. Accordingly, no provision is made in the GWFS for unpaid vacation and sick leave.

I. OPERATING TRANSFERS IN AND OUT

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

J. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenditures during the reporting period. Actual results could differ from these estimates.

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

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

K. ACCOUNTS RECEIVABLE

Uncollectible amounts are recognized as bad debts through the establishment of an allowance for doubtful accounts at the time information becomes available which indicates the uncollectibility of a particular receivable.

L. CASH AND INVESTMENTS

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit. Investments include amounts in money market accounts with Louisiana Asset Management Pool (LAMP). Under state law, the Clerk of Court may deposit funds in demand deposits accounts, interest-bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law, national banks having their principal offices in Louisiana and the Louisiana Asset Management Pool.

2. **CHANGES IN ACCOUNTING PRINCIPLES**

For the year ended June 30, 2004, the Clerk has implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis- for State and Local Governements*.

GASB Statement 34 creates new financial statements for reporting on the Clerk’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which had been the method of presentation in the previously issued financial statements.

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

Governmental Funds’ Fund Balance, June 30, 2003	\$78,791
Add: Capital Assets as of June 30, 2003:	
Cost	\$45,793
Accumulated Depreciation	<u>(41,216)</u>
Net Assets at June 30, 2003	<u>\$83,368</u>

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

3. CAPITAL ASSETS

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

Governmental activities:

	<u>Equipment</u>
Cost of Capital	
Assets June 30, 2003	\$45,793
Additions	27,929
Deletions	<u>(41,216)</u>
Costs of Capital Assets,	
June 30, 2004	<u>32,506</u>
Accumulated depreciation,	
June 30, 2003	41,216
Additions	6,084
Deletions	<u>(41,216)</u>
Accumulated depreciation,	
June 30, 2004	<u>\$ 6,084</u>

For the year ended June 30, 2004, depreciation expense was \$6,084.

4. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits and investments in the Louisiana Asset Management Pool, Inc. (LAMP). Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States and LAMP.

The carrying amount of the Clerk's deposits at June 30, 2004 was \$385,184 and the bank balance was \$438,675. Of the bank balances, \$300,000 was covered by federal depository insurance and \$131,457 was covered by collateral held by the pledging bank's agent, but not in the Clerk's name.

The Clerk also had invested \$52,585 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP as of June 30, 2004 is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer and representatives from various organizations of local government who are investors in LAMP.

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN

Plan Description

Substantially all employees of the West Feliciana 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.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the West Feliciana Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the West Feliciana 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 West Feliciana Parish Clerk of Court's contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$21,678, \$16,546, and \$14,350 respectively, equal to the required contributions for each year.

6. LEASES

The Clerk previously entered into a cancelable operating lease agreement which provides for the use of computer software and hardware. The lease has expired but monthly installments of \$1,979 are required for the maintenance of the computers and software.

The Clerk of Court also entered into several other operating lease agreements providing for the use of various pieces of office equipment. All of these lease agreements have non-appropriation exculpatory clauses that allow for the cancellations of the agreements should the Clerk not make appropriations for their continuance during subsequent fiscal periods.

Total lease expenditures amounted to approximately \$29,000 and \$20,000 during the years ended June 30, 2004 and 2003, respectively.

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

7. EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years (at the expiration of the term of office) the Clerk of Court must pay the parish treasurer any balance in the clerk's salary fund which exceeds one-half of the revenues of the last year of the term, which amount shall be limited to not more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2004, there was no amount due the parish treasurer even though it was the last year of the Clerk's four-year term of office.

8. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the Clerk's office are paid by the parish police jury and are not included in the accompanying financial statements.

9. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits described in Note 5, the Clerk, in accordance with state statutes, provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the employees become eligible for these benefits if they reach normal retirement age while working for the Clerk. The cost of retiree health care and life insurance benefits is recognized as expense as claims are paid. These costs were approximately \$0 for the year ended June 30, 2004.

10. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables consisted of the following at June 30, 2004:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 51,267	\$ -
Agency Fund - Advance Deposit	<u>-</u>	<u>51,267</u>
	<u>\$ 51,267</u>	<u>\$ 51,267</u>

WEST FELICIANA PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

11. CHANGES IN AGENCY FUND BALANCES

The following presents the changes in unsettled deposits in the agency funds during the two year period ended June 30, 2004:

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>Unsettled Deposits at June 30, 2003</u>	\$ 195,727	\$ 347,333	\$ 543,060
<u>Additions</u>			
Deposits:			
Suits and successions	\$ 230,370	\$ -	\$ 230,370
Judgments	-	-	-
Interest earned on investments	-	421	421
Total additions	<u>230,370</u>	<u>421</u>	<u>230,791</u>
<u>Reductions</u>			
Clerk's costs (General Fund transfers)	92,812	26	92,838
Settlements to litigants	63,625	192,843	256,468
Sheriff's fees	26,118	-	26,118
Other	9,655	-	9,655
Total reductions	<u>192,210</u>	<u>192,869</u>	<u>385,079</u>
<u>Unsettled Deposits at June 30, 2004</u>	\$ 233,887	\$ 154,885	\$ 388,772

WEST FELICIANA PARISH CLERK OF COURT
ST. FRANCISVILLE, LOUISIANA

BUDGETARY COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Licenses and permits	\$ 2,275	\$ 2,275	\$ 2,025	(250)
Court costs	2,420	2,420	2,180	(240)
Recording fees	267,236	267,236	285,300	18,064
Certified copies	9,376	9,376	8,155	(1,221)
Other copies	15,778	15,778	14,077	(1,701)
Notarial fees	2,300	2,300	2,060	(240)
Miscellaneous	33,500	33,500	40,706	7,206
Interest	1,600	1,600	900	(700)
Total Revenues	334,485	334,485	355,403	20,918
<u>EXPENDITURES</u>				
Current:				
Personal services	199,000	199,000	217,647	(18,647)
Supplies	22,000	22,000	10,562	11,438
Computer	15,000	15,000	33,025	(18,025)
Other charges	59,000	59,000	65,972	(6,972)
Capital outlay	5,000	5,000	27,929	(22,929)
Total Expenditures	300,000	300,000	355,135	(55,135)
Excess of Revenues over Expenditures	34,485	34,485	268	(34,217)
Fund Balance, July 1, 2003	78,791	78,791	78,791	-
Fund Balance, June 30, 2004	\$ 113,276	\$ 113,276	\$ 79,059	\$ (34,217)

WEST FELICIANA PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unqualified opinion on the financial statements of Ascension Parish Clerk of Court.
2. One reportable condition relating to the audit of the financial statements is reported, as 04-1, in this schedule.
3. Three instances of non-compliance is reported, as 04-2, 04-3, and 04-4, in this schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

04-1

Finding: The performance of accounting procedures is limited to a small number of people. Therefore, there is insufficient segregation of duties.

Recommendation: No action is recommended. It would not be cost effective to increase the size of the staff to achieve effective segregation of duties.

Management's response: Because of the size of the operations, it would not be cost effective to hire additional personnel to achieve effective segregation of duties.

NON-COMPLIANCE

04-2

Finding: Timecards for the prior three years have been destroyed by the prior Clerk.

Recommendation: No action is recommended. Clerk should retain timecards for at least three years.

Management's response: Management will retain timecards for the requirement length of time.

04-3

Finding: LSR 39:1307 requires the Clerk to publish a budget and make the proposed budget available for public inspection.

Recommendation: The Clerk should publish the budget and make the budget available for public inspection.

Management's response: Management will publish the budget and make the budget available for public inspection

WEST FELICIANA PARISH CLERK OF COURT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2004

NON-COMPLIANCE (continued)

04-4

Finding: LSR 39:1311 requires that a budget be amended when actual expenditures exceed budgeted expenditures by 5 percent or greater. The Clerk's actual expenditures exceeded budgeted expenditures by 18 percent.

Recommendation: The Clerk should closely monitor expenditures and amend the budget when it is known that the actual expenditures will exceed the budgeted amounts.

Management's response: Management will closely monitor expenditures and amend the budget when it is known that the actual expenditures will exceed the budgeted amounts.