

**SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-17-04

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
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JUNE 30, 2004

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SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

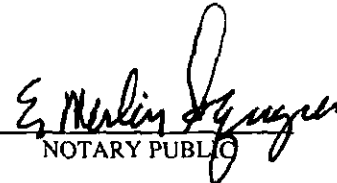
AFFIDAVIT

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Personally came and appeared before the undersigned authority, Dollie Knippers, Sabine Parish Clerk of Court, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Sabine Parish Clerk of Court at June 30, 2004 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

  
Clerk of Court

Sworn to and subscribed before me, this 25<sup>th</sup> day of October, 2004.

  
NOTARY PUBLIC



# HINES, JACKSON & HINES, L.L.C.

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## INDEPENDENT AUDITORS' REPORT

Honorable Dollie Knippers  
Sabine Parish Clerk of Court  
P.O. Box 485  
Many, Louisiana 71449

We have audited the accompanying basic financial statements of the Sabine Parish Clerk of Court, Many, Louisiana, 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 management of the Sabine Parish Clerk of Court. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Sabine Parish Clerk of Court as of June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 25, 2004, on our consideration of the Sabine 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.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 24, 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Sabine Parish Clerk of Court taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Hines, Jackson & Hines**  
Natchitoches, Louisiana  
October 25, 2004

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS  
JUNE 30, 2004

The Management's Discussion and Analysis of the Sabine Parish Clerk of Court's financial performance presents a narrative overview and analysis of Sabine Parish Clerk of Court's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Sabine Parish Clerk of Court's financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

- 1) The Sabine Parish Clerk of Court had cash and investments of \$264,807 at June 30, 2004, which represents an increase of \$4,526 from the prior year end.
- 2) The Sabine Parish Clerk of Court had accounts receivable of \$26,186 at June 30, 2004, which represents a decrease of \$3,779 from the prior year end.
- 3) The Sabine Parish Clerk of Court had accounts payable and accruals of \$5,187 at June 30, 2004, which represents a decrease of \$612 from the prior year end.
- 4) The Sabine Parish Clerk of Court had total revenues of \$714,989 for the year ended June 30, 2004 which represents an increase of \$10,560 from the prior year.
- 5) The Sabine Parish Clerk of Court had personal services expense of \$463,991 for the year ended June 30, 2004, which represents an increase of \$54,478 from the prior year.
- 6) The Sabine Parish Clerk of Court had operating services expense of \$79,485 for the year ended June 30, 2004, which represents a decrease of \$3,740 from the prior year.
- 7) The Sabine Parish Clerk of Court had supplies expense of \$110,558 for the year ended June 30, 2004 which represents a decrease of \$48,217 from the prior year.
- 8) The Sabine Parish Clerk of Court had capital asset purchases of \$41,598 for the year ended June 30, 2004, which represents an increase of \$34,207 from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Sabine Parish Clerk of Court as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Basic Financial Statements**

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Sabine Parish Clerk of Court as a whole and present a longer-term view of the Clerk of Court's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Clerk of Court's net assets and changes in them. You can think of the Clerk of Court's net assets, the difference between assets and liabilities, as one way to measure the Clerk of Court's financial health, or financial position. Over time, increases or decreases in the Fund's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the Clerk of Court's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Clerk of Court's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's activities as well as what remains for future spending.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of Year End

	2004	2003
Current and other assets	\$ 297,028	\$ 295,246
Capital assets, net	85,204	82,807
Total Assets	\$ 382,232	\$ 378,053
Other liabilities	\$ 5,187	\$ 5,799
Compensated absences payable	7,614	6,278
Total Liabilities	12,801	12,077
Net assets		
Investment in capital assets, net of related debt	85,204	82,807
Unrestricted	284,227	283,169
Total Net Assets	369,431	365,976
Total Liabilities and Net Assets	\$ 382,232	\$ 378,053

Net assets of the Sabine Parish Clerk of Court increased by \$3,455 or 0.94% from the previous fiscal year. The increase is the result of operating and non-operating revenues exceeding expenses during the fiscal year ended 2004 (See table below).

Statement of Activities  
For the Year Ended

	2004	2003
General government Expenses	\$ 711,534	\$ 700,974
Program revenues		
Fees and charges for services	682,602	654,284
Subtotal	(28,932)	(46,690)
General revenues	32,387	32,320
Change in net assets	\$ 3,455	\$ (14,370)

The Sabine Parish Clerk of Court's total revenues increased by \$28,385 or 4.13% from the previous year. The total cost of all programs and services increased by \$10,560 or 1.50% from the previous year.





SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$62,989 more than budgeted amounts due to fees, fines and charges for services being more than expected.

Actual expenditures were \$60,595 more than budgeted amounts due to personal services, supplies and capital outlay expenses being more than expected.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Sabine Parish Clerk of Court's elected official considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Fees, fines and charges for services
- 2) Interest income
- 3) Miscellaneous revenues

The Sabine Parish Clerk of Court does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE SABINE PARISH CLERK OF COURT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Sabine Parish Clerk of Court's finances and to show the Sabine Parish Clerk of Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact, Mrs. Dollie Knippers, Sabine Parish Clerk of Court, P. O. Box 485, Many, Louisiana 71449.

## EXHIBIT A

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

ASSETS	
<i>Current Assets</i>	
Cash	\$ 149,807
Investments	115,000
Accounts receivable	26,186
Other assets	<u>6,035</u>
Total Current Assets	297,028
 <i>Noncurrent Assets</i>	
Capital assets, net	<u>85,204</u>
 Total Assets	 <u>\$ 382,232</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable and accruals	\$ <u>5,187</u>
Total Current Liabilities	5,187
 <i>Noncurrent Liabilities</i>	
Compensated absences payable	<u>7,614</u>
Total Liabilities	12,801
 NET ASSETS	
Investment in capital assets, net of related debt	85,204
Unrestricted	<u>284,227</u>
Total Net Assets	<u>369,431</u>
Total Liabilities and Net Assets	<u>\$ 382,232</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Expense</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
General Government					
Personal services	\$ 463,991	\$ 471,078	\$ 0	\$ 0	\$ 7,087
Travel	4,469	4,537	0	0	68
Operating services	79,485	80,699	0	0	1,214
Supplies	110,558	112,247	0	0	1,689
Professional services	13,830	14,041	0	0	211
Depreciation	39,201	0	0	0	(39,201)
Total General Government	<u>\$ 711,534</u>	<u>\$ 682,602</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(28,932)</u>
General Revenues					
Interest					5,753
Miscellaneous					<u>26,634</u>
Total General Revenues					<u>32,387</u>
Change in Net Assets					3,455
Net Assets, Beginning of year as restated					<u>365,976</u>
Net Assets, End of year					<u>\$ 369,431</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

<u>ASSETS</u>	
Cash	\$ 149,807
Investments	115,000
Accounts receivable	26,186
Other assets	<u>6,035</u>
Total Assets	<u>\$ 297,028</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES</u>	
Accounts payable and accruals	\$ <u>5,187</u>
Total Liabilities	5,187
 <u>FUND BALANCES</u>	
Unreserved	<u>291,841</u>
Total Fund Balances	<u>291,841</u>
Total Liabilities and Fund Balances	<u>\$ 297,028</u>

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2004

Total Fund Balances for Governmental Funds (Exhibit C)	\$	291,841
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Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Automobile, net of \$11,418 in accumulated depreciation	\$	7,612	
Equipment, furniture and fixtures, net of \$201,226 in accumulated depreciation		<u>\$ 77,592</u>	
Total Capital Assets			85,204

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

(7,614)

Total Net Assets of Governmental Activities (Exhibit A)	\$	<u>369,431</u>
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EXHIBIT E

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL  
FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES	
Fees, fines and charges for services	\$ 682,602
Interest income	5,753
Miscellaneous	<u>26,634</u>
Total Revenues	714,989
EXPENDITURES	
<i>General government</i>	
Personal services	462,655
Travel	4,469
Operating services	79,485
Supplies	110,558
Professional services	13,830
Capital outlay	<u>41,598</u>
Total Expenditures	<u>712,595</u>
Excess/(Deficiency) Of Revenues Over Expenditures	2,394
Fund Balance, Beginning of year	<u>289,447</u>
Fund Balance, End of year	<u>\$ 291,841</u>

The accompanying notes are an integral part of this statement.

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

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ 2,394
The change in Net Assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$41,598) exceeds depreciation (\$39,201) in the current period.	2,397
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(1,336)</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ 3,455</u>

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - FIDUCIARY FUNDS  
JUNE 30, 2004

	<u>Advance Deposit</u> <u>Fund</u>	<u>Registry of Court</u> <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 175,945	\$ 356,213	\$ 532,158
Investments	<u>150,000</u>	<u>0</u>	<u>150,000</u>
Total Assets	<u>\$ 325,945</u>	<u>\$ 356,213</u>	<u>\$ 682,158</u>
<b>LIABILITIES</b>			
Due to others	<u>\$ 325,945</u>	<u>\$ 356,213</u>	<u>\$ 682,158</u>
Total Liabilities	<u>\$ 325,945</u>	<u>\$ 356,213</u>	<u>\$ 682,158</u>

The accompanying notes are an integral part of this statement.



SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Sabine Parish 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 financial statements of the Sabine 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 No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

**B.            Reporting Entity**

The Sabine Parish Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Sabine 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 other expenses of the Clerk of Court's office, as necessary. In addition, the Police jury's financial statements would be incomplete or misleading without inclusion of the Clerk of Court. For these reasons, the Clerk of Court was determined to be a component unit of the Sabine 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 Sabine Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary, as follows:

**Governmental Funds**

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

**General Fund** - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Sabine Parish Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in his fund.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C.        Funds Accounting (Continued)**

**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. The Advance Deposit, Registry of Court - Agency Funds account for assets held as an agent for others.*

**D.        Measurement Focus/Basis of Accounting**

**Government - Wide Financial Statements**

The Statement of Net Assets (Exhibit A) and the Statement of Activities (Exhibit B) display information about the reporting government as a whole. These statements include all the financial activities of the Sabine Parish Clerk of Court, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets (Schedule 2) in other supplementary information.

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

**Fund Financial Statements**

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

Fund financial statements report detailed information about the Clerk of Court. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

*Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sabine Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:*

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

**NOTE 1          SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.          Measurement Focus/Basis of Accounting (Continued)**

**Revenues**

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits are recorded when the time deposits have matured and the income is available. Interest receivables are accrued in the Advance Deposit Fund; all other revenues are recorded when received.

**Expenditures**

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

**Other Financing Sources/(Uses)**

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

**E.          Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The Sabine Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk of Court amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

**F.          Cash and Cash Equivalents**

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

*Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.*

**G.          Investments**

Investments are limited by R.S. 33:2955 and the Sabine Parish 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.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H.            Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**I.            Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2004, none were considered uncollectible.

**J.            Capital Assets**

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Sabine Parish Clerk of Court are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**K.            Compensated Absences**

Employees of the Clerk's office that have been employed one year earn one week of vacation leave per year. Employees with two through ten years of employment earn two weeks of vacation leave per year. Employees with eleven years or more earn three weeks of vacation leave per year. Although vacation does not carryover or accumulate from one year to the next, employees do vest with respect to vacation leave in that upon retirement or termination, they may be paid for vacation earned that year. The Clerk of Court accrues a liability for compensated absences.

**L.            Estimates**

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

**NOTE 2            DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.            Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Sabine Parish Clerk of Court may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Clerk of Court may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)**

**A. Deposits with Financial Institutions (Continued)**

Deposits in bank accounts 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 deposit with the fiscal agent bank. 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 mutually acceptable to both parties. The deposits at June 30, 2004 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 681,765	\$ 265,000	\$ 946,765

	Cash	Certificates of Deposit	Total
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 200,000	\$ 245,000	\$ 445,000
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	509,339	20,000	529,339
3. Uncollateralized, including any securities held for the entity but not in entity's name	0	0	0
Total Bank Balances	\$ 709,339	\$ 265,000	\$ 974,339

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
Peoples State Bank	\$ 262,402
Sabine State Bank	636,937
Edward Jones Investments	75,000
Total	\$ 974,339

**B. Investments**

At June 30, 2004, the Sabine Parish Clerk of Court had investments of \$0.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE 3      ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 2004:

<u>Class of Receivable</u>	
Fees, fines and charges for services	\$ 26,186
Total	<u>\$ 26,186</u>

**NOTE 4      CAPITAL ASSETS**

A summary of Sabine Parish Clerk of Court's capital assets at June 30, 2004 follows:

	Balance June 30, 2003	Additions	Retirements	Balance June 30, 2004
Automobile	\$ 19,030	\$ 0	\$ 0	\$ 19,030
Less accumulated depreciation	<u>(7,612)</u>	<u>(3,806)</u>	<u>0</u>	<u>(11,418)</u>
Total Automobile	11,418	(3,806)	0	7,612
Furniture, fixtures and equipment	253,127	41,598	(15,907)	278,818
Less accumulated depreciation	<u>(181,738)</u>	<u>(35,395)</u>	<u>15,907</u>	<u>(201,226)</u>
Total Furniture, fixtures and equipment	71,389	6,203	0	77,592
Total Capital Assets, net	<u>\$ 82,807</u>	<u>\$ 2,397</u>	<u>\$ 0</u>	<u>\$ 85,204</u>

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at June 30, 2004:

<u>Class of Payable</u>	
Vendor	\$ 3,626
Salaries and related benefits	1,561
Other	<u>0</u>
Total	<u>\$ 5,187</u>

**NOTE 6      COMPENSATED ABSENCES**

At June 30, 2004, employees of the Sabine Clerk of Court had accumulated \$7,614 annual leave benefits which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2004.

Compensated absences payable, beginning of year	\$ 6,278
Additions	5,538
Deletions	<u>(4,202)</u>
Compensated absences payable, end of year	<u>\$ 7,614</u>

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE 7            PENSION PLAN**

Plan Description: Substantially all employees of the Sabine 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 B, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

The Sabine Parish Clerk of Court also participates in the State of Louisiana Public Employees Deferred Compensation Plan which is defined by Internal Revenue Code Section 457. Employees may contribute up to the lesser of (1) 25% of their taxable compensation or (2) \$8,000. The Clerk matches employee contributions up to 7% of the employee's annual salary.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Sabine Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.5 percent of annual covered payroll.

Of the 8.25 percent of the member contributions, the Sabine Parish Clerk of Court pays all. 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 member and the Sabine 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 result of the valuation for the prior fiscal year. The Sabine Parish Clerk of Court's contribution to the System and the Deferred Compensation Plan for the years ending June 30, 2004, 2003 and 2002, were \$74,145, \$63,810 and \$61,319, respectively, equal to the required contribution for each year.

**NOTE 8            LEASES**

The Sabine Parish Clerk of Court was not obligated under any capital or operating lease agreements at June 30, 2004.

**NOTE 9            RISK MANAGEMENT**

The Sabine Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE 10        LITIGATION AND CLAIMS**

There was no outstanding litigation against the Sabine Parish Clerk of Court at June 30, 2004.

**NOTE 11        EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH POLICE JURY**

Certain expenses of the Sabine Parish Clerk of Court's office are paid by the Sabine Parish Police Jury. In addition to furnishing the building where the Clerk's office is located, the Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk's office.

**NOTE 12        EXCESS FUND BALANCE**

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the Sabine Parish Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of his term of office. This amount shall be limited to no 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.

**NOTE 13        PRIOR YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets for June 30, 2003.

Fund Balance, beginning of year as previously reported	\$ 289,447
Adjustments:    Investments in Capital Assets, beginning of year	272,157
Accumulated Depreciation, beginning of year	(189,350)
Compensated absences payable, beginning of year	<u>(6,278)</u>
Net Assets, beginning of year as restated	<u>\$ 365,976</u>



**REQUIRED SUPPLEMENTARY INFORMATION**

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original/Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./ (Unfav.)</u>
<b>REVENUES</b>			
Fees, fines and charges for services	\$ 623,300	\$ 682,602	\$ 59,302
Interest income	6,000	5,753	(247)
Miscellaneous	<u>22,700</u>	<u>26,634</u>	<u>3,934</u>
Total Revenues	652,000	714,989	62,989
<b>EXPENDITURES</b>			
General government			
Personal services	448,990	462,655	(13,665)
Travel	7,900	4,469	3,431
Operating services	84,910	79,485	5,425
Supplies	71,300	110,558	(39,258)
Professional services	13,900	13,830	70
Capital outlay	<u>25,000</u>	<u>41,598</u>	<u>(16,598)</u>
Total Expenditures	<u>652,000</u>	<u>712,595</u>	<u>(60,595)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	0	2,394	2,394
Fund Balance, Beginning of year	<u>289,447</u>	<u>289,447</u>	<u>289,447</u>
Fund Balance, End of year	<u>\$ 289,447</u>	<u>\$ 291,841</u>	<u>\$ 291,841</u>

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**OTHER SUPPLEMENTARY INFORMATION**

## SCHEDULE 2

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Advance Deposit</u> <u>Fund</u>	<u>Registry of Court</u> <u>Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Suits and successions	\$ 455,010	\$ 0	\$ 455,010
Judgements	0	772,296	772,296
Interest income	<u>0</u>	<u>1,690</u>	<u>1,690</u>
<i>Total Additions</i>	455,010	773,986	1,228,996
<b>DEDUCTIONS</b>			
Clerk's costs (transferred to general fund)	226,922	0	226,922
Settlements to litigants	88,054	766,506	854,560
Sheriff's fees	52,265	0	52,265
Attorneys, curators, notary	65	0	65
Judges supplemental fund	16,972	0	16,972
Judges expense fund	13,680	0	13,680
Other reductions	<u>16,939</u>	<u>0</u>	<u>16,939</u>
<i>Total deductions</i>	<u>414,897</u>	<u>766,506</u>	<u>1,181,403</u>
Change in Net Assets	40,113	7,480	47,593
Net Assets, Beginning of year	<u>285,832</u>	<u>348,733</u>	<u>634,565</u>
Net Assets, Ending of year	<u>\$ 325,945</u>	<u>\$ 356,213</u>	<u>\$ 682,158</u>

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

- |    |   |             |
|----|---|-------------|
| 1. | Type of auditors' report issued.  | Unqualified |
| 2. | Internal control over financial reporting:                                    |             |
|    | a) Material weaknesses identified?  | None        |
|    | b) Reportable conditions identified not considered to be material weaknesses? | None        |
|    | c) Noncompliance material to the financial statements noted?                  | None        |

**SECTION #2**

FINANCIAL STATEMENT FINDINGS

2004-0 Actual expenditures of the Governmental Fund were \$60,595 (9.29%) more than budgeted amounts in 2004.

# HINES, JACKSON & HINES, L.L.C.

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

Honorable Dollie Knippers  
Sabine Parish Clerk of Court  
P. O. Box  
Many, Louisiana 71449

We have audited the general purpose financial statements of the Sabine Parish Clerk of Court, Many, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Sabine 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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards. A description of the findings can be found in findings 2004-01 of the accompanying corrective action plan for current year audit findings, schedule 5.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sabine 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 assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

### ***Hines, Jackson & Hines***

Natchitoches, Louisiana  
October 25, 2004

SCHEDULE 4

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SABINE PARISH CLERK OF COURT  
MANY, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2004-01	Actual expenditures of the Governmental Fund were \$60,595 (9.29%) more than budgeted amounts in 2004.	The Clerk of Court will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures to satisfy legal requirements.	Dollie Knippers Clerk of Court	11/15/2004



# HINES, JACKSON & HINES, L.L.C.

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Honorable Dollie M. Knippers  
Sabine Parish Clerk of Court  
P. O. Box 419  
Many, LA 71449

We are writing this letter as a follow-up to our recent audit of the basic financial statements for the Sabine Parish Clerk of Court, Many, Louisiana as of June 30, 2004, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Clerk of Court and are intended to be constructive in nature.

#### Existing Conditions

We noted that actual expenditures of the Governmental Fund were \$60,595 (9.29%) more than budgeted amounts in 2004.

LSA-RS:1311 requires the Clerk of Court to amend its budget whenever actual revenues and expenditures are projected to be less than or exceed budgeted amounts by more than five percent.

#### Recommended Action

We suggest the Clerk of Court's adopted budget be closely monitored and amended whenever there has been a change in operations upon which the original adopted budget was adopted. Care should be exercised to maintain actual revenues and expenditures within the five percent established by statute.

#### Management's Response

The Clerk of Court will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Clerk of Court's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let me know.

***Hines, Jackson & Hines***

Natchitoches, Louisiana  
October 25, 2004