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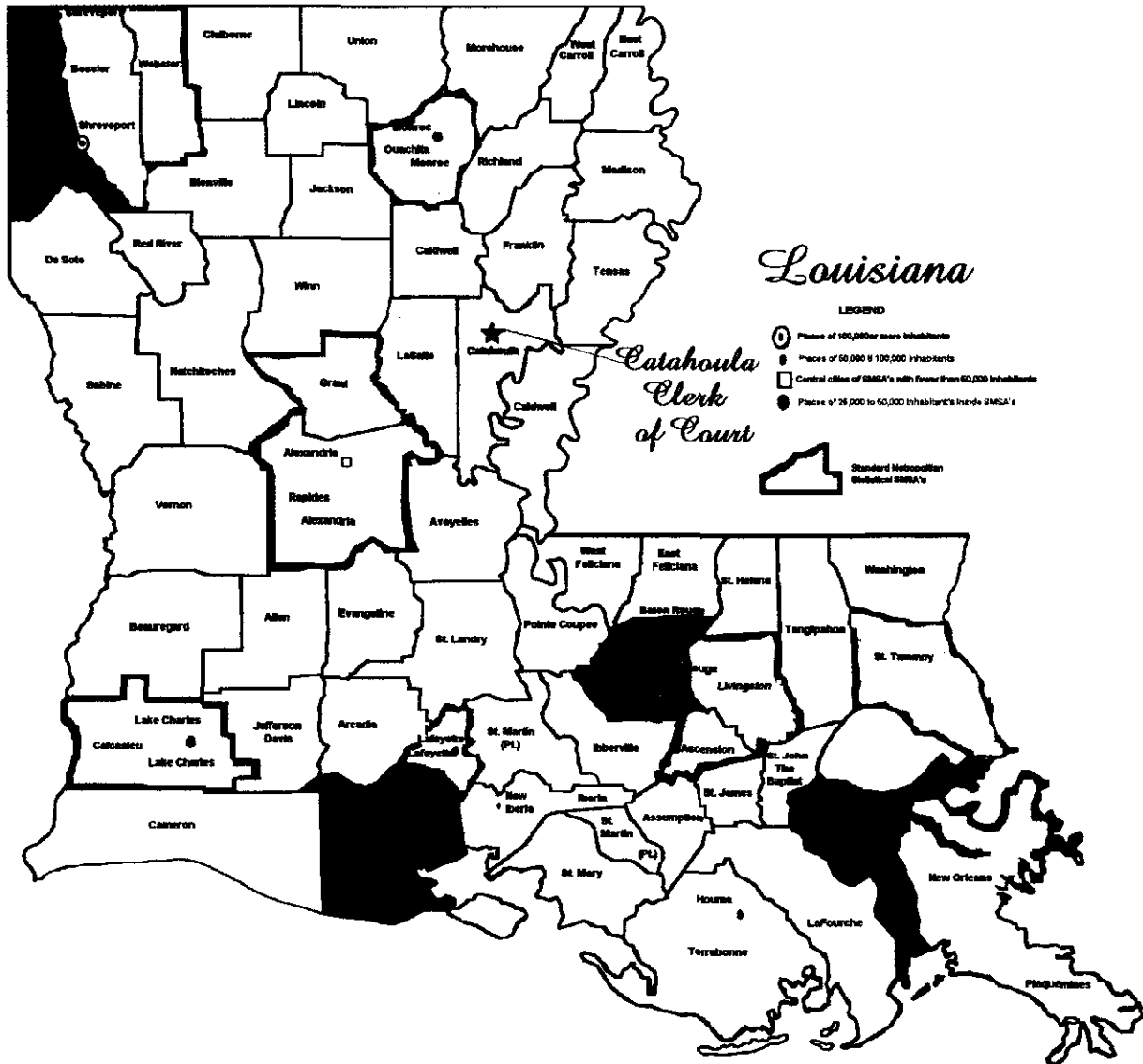
**CATAHOULA PARISH CLERK OF COURT
Harrisonburg, Louisiana**

*Component Unit Financial Statements
As of and for the Two Years
Ended June 30, 2003 and June 30, 2004
With Supplemental Information*

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 12-8-04

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**



✓ As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

CATAHOULA PARISH CLERK OF COURT
Harrisonburg, Louisiana

Annual Financial Statements
As of and for the Two Years Ended June 30, 2004 and June 30, 2003

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Catahoula Parish Clerk of Court
Honorable Janet Payne, Clerk
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Fax: (318) 744-5488

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic financial statements of the Catahoula Clerk of Court include the general fund (main operating account) and two agency funds (advance deposit account and registry of court fund) where the clerk's office acts in fiduciary manner collecting monies and dispersing them at the court's instructions.

FINANCIAL HIGHLIGHTS:

- The Clerk's Office had a \$37,980 operating deficit for the year ended June 30, 2004 and ended the year with net assets of \$112,804 and an unrestricted fund balance of \$61,795. The operating deficit was generated by an unexpected decrease in revenue and increase in personnel cost. The office had an operating surplus for the year ended June 30, 2003 of \$28,723.
- The general fund for the year ended June 30, 2003 had favorable budget variances. The general fund ended June 30, 2004, with an unfavorable revenue variance due to an unexpected drop in revenue and the budget not being amended to reflect the decrease in revenues.
- The Clerk's Office is currently restructuring and cutting its expenditures to keep those expenditures within annual revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS:

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include one kind of statement listed below.

- **General Fund**

The General Fund, as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the 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 this fund. General operating expenditures are paid from this fund.

- **Agency Fund**

The Advance Deposit, Registry of Court Agency Funds and Royalty Fund account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

CONTACTING THE AUTHORITY'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens 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 information, contact Janet Payne, Clerk of the Catahoula Clerk of Court, PO Box 654, Harrisonburg, Louisiana 71340, at (318) 744-5497.

JOHN R. VERCHER PC

Certified Public Accountant

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Jena, Louisiana 71342

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INDEPENDENT AUDITOR'S REPORT

Honorable Janet T. Payne
Catahoula Parish Clerk of Court
Harrisonburg, Louisiana

I have audited the accompanying financial statements of the governmental activities, of Catahoula Parish Clerk of Court, component unit of Catahoula Parish Police Jury as of and for the two fiscal years ended June 30, 2004 and June 30, 2003 which collectively comprise the Catahoula Parish Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Catahoula Parish Clerk of Court, management. My responsibility is to express an opinion on these statements based on my audit.

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

The advance deposit fund has been presented on the cash basis of accounting which is a basis of accounting other than generally accepted accounting principles.

In my opinion, except for the presentation of the advance deposit fund on the cash basis as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Catahoula Parish Clerk of Court, Harrisonburg, Louisiana, as of and for the two fiscal years ended June 30, 2004 and June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 25, 2004, on my consideration of Catahoula Parish Clerk of Court's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

John R. Vercher

August 25, 2004

Jena, Louisiana

JOHN R. VERCHER PC

Certified Public Accountant

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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 Janet T. Payne
Catahoula Parish Clerk of Court
Harrisonburg, Louisiana

I have audited the financial statements of the governmental activities of Catahoula Parish Clerk of Court, Harrisonburg, Louisiana, as of and for the two fiscal years ended June 30, 2004 and June 30, 2003, which collectively comprise the Catahoula Clerk of Court's basic financial statements and have issued my report thereon dated August 25, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Catahoula Parish Clerk of Court, Harrisonburg, Louisiana's, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standard*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Catahoula Parish Clerk, Harrisonburg, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I considered to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Catahoula Parish Clerk, Harrisonburg, Louisiana'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 accompanying schedule of findings and questioned costs as items :

- 2000-4-1 Advance Deposit Funds

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this document record and its distribution is not limited.

John R. Vercher

Jena, Louisiana
August 25, 2004

BASIC FINANCIAL STATEMENTS

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

*Governmental Funds Balance Sheet/Statement of Net Assets
June 30, 2004*

	General Fund	Adjustments Note D	Total Statement of Activities
ASSETS			
Cash and cash equivalents	\$ 36,316	\$ -0-	\$ 36,316
Investments	25,973	-0-	25,973
Receivables	4,422	-0-	4,422
Capital assets, net of accumulated depreciation	-0-	51,009	51,009
	\$ 66,711	\$ 51,009	\$ 117,720
LIABILITIES			
Liabilities:			
Accounts payable	\$ 4,916	\$ -0-	\$ 4,916
	\$ 4,916	\$ -0-	\$ 4,916
Fund BALANCE/NET ASSETS			
Fund balances:			
Unreserved, reported in:			
General Fund	61,795	-0-	-0-
	\$ 66,711	-0-	-0-
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		51,009	51,009
Unrestricted		-0-	61,795
		\$ 51,009	\$ 112,804
Total Net Assets		\$ 51,009	\$ 112,804

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

***Governmental Funds Balance Sheet/Statement of Net Assets
June 30, 2003***

	<u>General Fund</u>	<u>Adjustments Note D</u>	<u>Total Statement of Activities</u>
ASSETS			
Cash and cash equivalents	\$ 70,569	\$ -0-	\$ 70,569
Investments	25,973	-0-	25,973
Receivables	3,356	-0-	3,356
Capital assets, net of accumulated depreciation	-0-	65,583	65,583
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 99,898	\$ 65,583	\$ 165,481
LIABILITIES			
Liabilities:			
Accounts payable	\$ 14,967	\$ -0-	\$ 14,967
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 14,697	\$ -0-	\$ 14,967
Fund BALANCE/NET ASSETS			
Fund balances:			
Unreserved, reported in:			
General Fund	85,201	-0-	-0-
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 99,898	-0-	-0-
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		65,583	65,583
Unrestricted		-0-	85,201
		<hr/>	<hr/>
Total Net Assets		\$ 65,583	\$ 150,784

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

*Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended June 30, 2004*

	<u>General Fund</u>	<u>Adjustments Note D</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Judiciary:			
Personal services	\$ 286,281	\$ -0-	\$ 286,281
Travel and professional development	6,427	-0-	6,427
Operating services	66,725	-0-	66,725
Depreciation	-0-	14,574	14,574
	<hr/>	<hr/>	<hr/>
Total Expenditures/Expenses	\$ 359,433	\$ 14,574	\$ 374,007
PROGRAM REVENUES			
Charges for services	\$ 330,448	\$ -0-	\$ 330,448
	<hr/>	<hr/>	<hr/>
Net Program Expense	\$ 330,448	\$ 14,574	\$ 43,559
GENERAL REVENUES			
Local grants	\$ 3,236	\$ -0-	\$ 3,236
Investment earnings	2,343	-0-	2,343
	<hr/>	<hr/>	<hr/>
Total General Revenues	\$ 5,579	\$ -0-	\$ 5,579
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(23,406)	(14,574)	(37,980)
FUND BALANCE/NET ASSETS:			
Beginning of the Year	85,201	65,583	150,784
	<hr/>	<hr/>	<hr/>
End of Year	\$ 61,795	\$ 51,009	\$ 112,804

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

*Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended June 30, 2003*

	<u>General Fund</u>	<u>Adjustments Note D</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Judiciary:			
Personal services	\$ 264,001	\$ -0-	\$ 264,001
Travel and professional development	6,025	-0-	6,025
Operating services	86,980	-0-	86,980
Capital Outlay	20,513	(20,513)	-0-
Depreciation	-0-	7,287	7,287
Total Expenditures/Expenses	<u>\$ 377,519</u>	<u>\$ (13,226)</u>	<u>\$ 364,293</u>
PROGRAM REVENUES			
Charges for services	\$ 397,344	\$ -0-	\$ 397,344
Net Program Expense	<u>\$ (19,825)</u>	<u>\$ (13,226)</u>	<u>\$ (33,051)</u>
GENERAL REVENUES			
Local grants	\$ 3,986	\$ -0-	\$ 3,986
Investment earnings	4,912	-0-	4,912
Total General Revenues	<u>\$ 8,898</u>	<u>\$ -0-</u>	<u>\$ 8,898</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	28,723	13,226	41,949
FUND BALANCE/NET ASSETS:			
Beginning of the Year	<u>56,478</u>	<u>52,357</u>	<u>108,835</u>
End of Year	<u>\$ 85,201</u>	<u>\$ 65,583</u>	<u>\$ 150,784</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

*Statement of Fiduciary Net Assets
June 30, 2004*

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 366,445	\$ 275,069	\$ 641,514
Total Assets	<u>\$ 366,445</u>	<u>\$ 275,069</u>	<u>\$ 641,514</u>
LIABILITIES			
Liabilities:	\$ 366,445	\$ 275,069	\$ 641,514
Held for others pending court action			
Total Liabilities	<u>\$ 366,445</u>	<u>\$ 275,069</u>	<u>\$ 641,514</u>
NET ASSETS	<u>\$ 366,445</u>	<u>\$ 275,069</u>	<u>\$ 641,514</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

*Statement of Fiduciary Net Assets
June 30, 2003*

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 375,742	\$ 289,914	\$ 665,656
Total Assets	<u>\$ 375,742</u>	<u>\$ 289,914</u>	<u>\$ 665,656</u>
LIABILITIES			
Liabilities:	\$ 375,742	\$ 289,914	\$ 665,656
Held for others pending court action			
Total Liabilities	<u>\$ 375,742</u>	<u>\$ 289,914</u>	<u>\$ 665,656</u>
NET ASSETS	<u>\$ 375,742</u>	<u>\$ 289,914</u>	<u>\$ 665,656</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

***Statement of Changes in Fiduciary Net Assets
June 30, 2004***

	Advance Deposit Fund	Registry of Court Fund	Total
ADDITIONS			
Deposits	\$ 194,014	\$ 73,222	\$ 267,236
Interest earned	1,765	2,479	4,244
Total Deposits	\$ 195,779	\$ 75,701	\$ 271,480
DEDUCTIONS			
Distributed to litigants	\$ 205,076	\$ 90,547	\$ 295,623
Total Deductions	\$ 205,076	\$ 90,547	\$ 295,623
CHANGES NET ASSETS	\$ (9,297)	\$ (14,846)	\$ (24,143)
Net Assets - Beginning	375,742	289,915	665,657
Net Assets - Ending	\$ 366,445	\$ 275,069	\$ 641,514

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

*Statement of Changes in Fiduciary Net Assets
June 30, 2003*

	Advance Deposit Fund	Registry of Court Fund	Total
ADDITIONS			
Deposits	\$ 242,508	\$ 137,878	\$ 380,386
Interest earned	2,160	4,386	6,546
Total Deposits	\$ 244,668	\$ 142,264	\$ 386,932
DEDUCTIONS			
Distributed to litigants	\$ 221,131	\$ 240,037	\$ 461,168
Total Deductions	\$ 221,131	\$ 240,037	\$ 461,168
CHANGES NET ASSETS	\$ 23,537	\$ (97,773)	\$ (74,236)
Net Assets - Beginning	352,205	387,688	739,893
Net Assets - Ending	\$ 375,742	\$ 289,915	\$ 665,657

The accompanying notes are an integral part of this statement.

*Notes
to the
Financial Statements*

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Catahoula Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) 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.

B. REPORTING ENTITY

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

The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The clerk of court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Governmental Funds

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

General Fund

The General Fund, as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the 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 this fund. General operating expenditures are paid from this fund.

Fiduciary Fund

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are the 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 cash basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenue and other financing sources) and uses) i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue 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 clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on the general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Marriage licenses, fees, charges, and commissions for services are recorded in the year they are earned.

Interest income on time deposits is reported when the time deposits have matured and the income is available.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

Expenditures

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

Other Financing Source and Expenditure

Proceeds from and expenditures for the capital leases are recognized when received or due as an other financing source and expenditure.

Agency Fund

The Agency Fund statements and schedules have been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid. Generally accepted accounting principles require agency funds to be reported on the modified accrual basis.

Government-Wide Financial Statements (GWFS)

These statements include all the financial activities of the clerk. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement NO. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues are derived directly from clerk users as a fee for services; program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

- Capital Assets
- Depreciation

E. BUDGET PRACTICES

The administrative budget for the 2003 and 2004 fiscal years were prepared on the modified accrual basis of accounting and published and made available for public inspection before the beginning of the fiscal year. All appropriations contained in the budgets lapse at year-end. The 2003 and 2004 budgets were amended.

Encumbrance accounting is not employed as management control devices. Budget amounts included in the accompanying financial statements are those included in the original budget with amendments, if any.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

F. CASH AND CASH EQUIVALENTS

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

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the clerk of court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**H. SHORT-TERM INTERFUND
RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	10 - 20 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 7 years

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

K. VACATION AND SICK LEAVE

Employees of the Clerk's office earn two weeks of vacation leave and five days of sick leave each two years. The leave must be used in the two years earned. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

L. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 2004, there was (1) no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

N. ESTIMATES

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

O. CASH AND INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year-end. The categories are describes as follows:

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

- *Category 1* – Insured or collateralized with securities held by the Clerk or by its agent in the Clerk’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Clerk’s name.
- *Category 3* – Uncollateralized.

	Bank Balance 6/30/2004
Southern Heritage Bank	\$ 350,870
Catahoula/LaSalle Bank	370,659
Sicity Island Bank	4,402
Total	\$ 725,931
Secured as Follows:	
FDIC (<i>Category – 1</i>)	\$ 204,402
Securities held by Bank in Clerk’s name	813,372
Total	\$ 1,017,774

2. RECEIVABLES

The receivables of \$4,422 at June 30, 2004, are as follows:

Class of Receivable	General Fund
Charges for Services	\$ 4,422

Allowances for doubtful accounts is considered immaterial and therefore, is not presented.

3. CAPITAL ASSETS

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

	Balance July 1 2003	Additions	Deletions	Balance June 30, 2004
Governmental Activities				
Furniture & equipment	\$ 72,870	\$ -0-	\$ -0-	\$ 72,870
Less accumulated depreciation:				
Furniture & equipment	\$ 7,287	\$ 14,474	\$ -0-	\$ 21,861
Capital assets, net	\$ 65,583	\$ 14,574	\$ -0-	\$ 51,009

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

4. PENSION PLAN

Plan Description. Substantially all employees of the Catahoula Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), 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 the 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 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that for 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, Suited B1, Baton Rouge, Louisiana 70816, or by calling (504)293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Catahoula Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.00 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 Catahoula Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Catahoula Parish Clerk of Court's contributions to the System for the years ending June 30, 2003, and 2004 were \$32,717, and \$36,969 respectively, equal to the required contributions for each year.

5. POST RETIREMENT BENEFITS

The Catahoula Parish Clerk of Court provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided by an insurance company with monthly premium payments being made by the Clerk to the Louisiana Clerks of Court Association. The Catahoula Parish Clerk of Court provides 100 percent of the cost of the monthly premiums for active employees and 50 percent of the cost for retired employees. The Clerk of Court recognizes the cost of providing these benefits (Clerk's portion of premiums for active and retired employees) as an expenditure when the monthly premiums are due.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

Notes to the Financial Statements

5. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$4,916 at June 30, 2004, are as follows:

<u>Description</u>	<u>General Fund</u>
Accounts	<u>\$ 4,916</u>

6. OPERATING LEASES

The Clerk's Office has two operating leases. The first with GE Capital for the lease of a copy machine originated in July 30, 1999, payable at \$302 per month for 60 months. The second lease is with GMAC for the lease of an automobile originated May 21, 2002, \$491 per month for 36 months.

7. AMOUNT PAID CLERK

The clerk was paid \$82,175 salary, plus 19.75% retirement salary, 10% expense and \$1,800 election pay for the year ending June 30, 2004.

8. EXPENDITURES OF THE CLERK OF CURT PAID BY THE PARIS POLICE JURY

The Clerk of Court's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse are, as required by Louisiana law, paid by the Catahoula Parish Police Jury. These expenditures are not included in the accompanying financial statements.

Required Supplemental Information

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
GOVERNMENTAL FUND – GENERAL FUND**

*Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget
(GAAP Basis) and Actual
June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Budget of GAAP Differences Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 412,260	\$ 325,329	\$ 330,448	\$ 5,119
Local grants	6,000	-0-	3,236	3,236
Interest	-0-	-0-	2,343	2,343
Total Revenues	\$ 418,260	\$ 325,329	\$ 336,027	\$ 10,698
EXPENDITURES				
Personal Services	\$ 276,000	\$ 348,306	\$ 286,281	\$ 62,025
Travel & professional development	-0-	-0-	6,427	(6,427)
Operating services	198,738	26,166	66,725	(40,559)
Capital outlay	-0-	7,335	-0-	7,335
Total Expenditures	\$ 474,738	\$ 381,807	\$ 359,433	\$ 22,374
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (56,478)	\$ (56,478)	\$ (23,406)	\$ 33,072
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	56,478	56,478	85,201	28,723
FUND BALANCE (Deficit) AT END OF YEAR	\$ -0-	\$ -0-	\$ 61,795	\$ 61,795

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
GOVERNMENTAL FUND – GENERAL FUND**

*Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget
(GAAP Basis) and Actual
June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Budget of GAAP Differences Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 334,900	\$ 414,160	\$ 397,344	\$ (16,816)
Local grants	4,100	4,100	3,986	(114)
Interest	-0-	-0-	4,912	4,912
Total Revenues	<u>\$ 339,000</u>	<u>\$ 418,260</u>	<u>\$ 406,242</u>	<u>\$ (12,018)</u>
EXPENDITURES				
Personal Services	\$ 262,000	\$ 262,000	\$ 264,001	\$ (2,001)
Travel & professional development	-0-	-0-	6,025	(6,025)
Operating services	77,000	207,990	86,980	121,010
Capital outlay	-0-	4,748	20,513	(15,765)
Total Expenditures	<u>\$ 339,000</u>	<u>\$ 474,738</u>	<u>\$ 377,519</u>	<u>\$ 97,219</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ (56,478)</u>	<u>\$ 28,723</u>	<u>\$ 85,201</u>
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>56,478</u>	<u>56,478</u>	<u>56,478</u>	<u>-0-</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u>\$ 56,478</u>	<u>\$ -0-</u>	<u>\$ 85,201</u>	<u>\$ 85,201</u>

The accompanying notes are an integral part of this statement.

Other Supplemental Information

PRIOR AUDIT FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

CURRENT AUDIT FINDINGS

The corrective action plan for current year audit findings is presented in Schedule 3.

CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2004

I have audited the component unit financial statement of the Catahoula Clerk of Court, Harrisonburg, Louisiana, as of and for the year ended June 30, 2003 and June 2004 and have issued my report thereon dated August 25, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2004 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST - (CONT.)
For the Year Ended June 30, 2004**

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

No items to report

Section III Internal Control

Reference	Description of Finding	Recommendation
2004-I-1	<u>Advance Deposit Fund</u> The Clerk's Office does not routinely reconcile or <i>can not reconcile its detail books of advance deposits</i> maintained on a manual basis with current cash on deposit in the Advance Deposit Fund.	The Clerk's Office should <i>begin a process of phasing out or automating the "old" manual records used to account for advance deposit receipts.</i>

Section IV Federal Awards Findings and Questioned Costs

Not Applicable

CATAHOULA PARISH CLERK OF COURT
 HARRISONBURG, LOUISIANA
 JUNE 30, 2004

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

REFERENCE	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
2004-I-1	Advance Deposit Fund	The Office has automated its advance deposit fund and will gradually retire the old advance deposit fund maintained manually.	Janet T. Payne	June 30, 2005

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Clerk of Court, Catahoula Parish, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the two year ended June 30, 2004.

2002-I-1 ADVANCE DEPOSIT FUND (UNRESOLVED)

The Office has automated its advance deposit fund and will gradually retire the old advance deposit fund maintained manually.