

BEAUREGARD PARISH CLERK OF COURT

ANNUAL FINANCIAL STATEMENTS
WITH AUDITOR'S REPORT

JUNE 30, 2004

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

Release Date 2/2/05

Table of Contents

	Statement	Page(s)
INDEPENDENT AUDITOR’S REPORT	-	1-2
BASIC FINANCIAL STATEMENTS:		
Statement of Net Assets	A	4
Statement of Activities	B	5
Balance Sheet – Governmental Funds	C	6
Reconciliation of the Governmental Funds Balance Sheet To Statement of Net Assets	D	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E	8
Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	F	9
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	G	10-11
Statement of Fiduciary Net Assets	H	12
Statement of Changes in Fiduciary Net Assets	I	13
Notes to the Financial Statements	-	15-20
	Schedule	Page(s)
Other Reports		
Schedule of Prior Year Audit Findings	1	22
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	-	23-24

John A. Windham, CPA

A Professional Corporation

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana

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

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Beauregard Parish Clerk of Court, as of June 30, 2004, and the changes in financial position, where applicable, thereof and the budgetary comparison for the general fund for the year 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 November 10, 2004 on my consideration of the Beauregard Parish Clerk of Court, Louisiana'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 Beauregard Parish Clerk of Court, has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Beauregard Parish Clerk of Court, basic financial statements. The schedule of prior year audit findings is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of prior year audit findings has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The schedule of prior year audit findings has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on it.

John M. Windham, CPA

DeRidder, Louisiana
November 10, 2004

BASIC FINANCIAL STATEMENTS

Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 255,414
Accounts receivable	27,193
Prepaid insurance	9,254
Capital assets, net	<u>209,485</u>
Total assets	<u>\$ 501,346</u>
LIABILITIES	
Accounts payable	\$ 12,062
Payroll taxes payable	<u>700</u>
Total liabilities	<u>\$ 12,762</u>
NET ASSETS	
Invested in capital asset	\$ 209,485
Unrestricted	<u>279,099</u>
Total net assets	<u>\$ 488,584</u>
Total liabilities and net assets	<u>\$ 501,346</u>

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2004

	<u>Expenses</u>	<u>Program Revenues</u> <u>Fees, Charges and</u> <u>Commissions for</u> <u>Services</u>	<u>Net (Expenses)</u> <u>Revenues and Changes</u> <u>in Net Assets</u>
Program Activities			<u>Governmental Activities</u>
Governmental activities:			
Judiciary	\$ 914,215	\$ 925,142	\$ 10,927
General revenues:			
Investment earnings			1,876
Transfers			1,278
Total general revenues and transfers			<u>3,154</u>
Change in net assets			14,081
Net assets at beginning of year			<u>474,503</u>
Net assets at end of year			<u>\$ 488,584</u>

The accompanying notes are an integral part of the statement.

Balance Sheet
Governmental Funds
June 30, 2004

ASSETS	<u>General</u>
Cash	\$ 255,414
Accounts receivable	27,193
Prepaid insurance	9,254
Total assets	<u>\$ 291,861</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 12,062
Payroll taxes payable	700
Total liabilities	<u>\$ 12,762</u>
Fund Balances:	
Unreserved	<u>\$ 279,099</u>
 Total liabilities and fund balances	 <u>\$ 291,861</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Assets
June 30, 2004

Total fund balance - total governmental funds	\$ 279,099
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in <i>the governmental funds balance sheets.</i>	<u>209,485</u>
Net assets of governmental activities	<u>\$ 488,584</u>

The accompanying notes are an integral part of this statement.

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

	General Fund
Revenues	
Recordings	\$ 385,957
Cancellations	21,434
Mortgage certificates	28,695
Marriage licenses	8,330
Notarial fees	9,292
Election fees	5,765
Fees on suits and successions	285,165
Court attendance	6,180
Certified copies	86,871
Criminal cost	48,670
Qualifying fees	873
UCC certificates and filing	21,660
Investment income	1,876
Clerk's supplemental pay	16,250
Total revenues	\$ 927,018
Expenditures	
Judiciary:	
Personal services	\$ 485,938
Related benefits	227,755
Travel and professional development	3,809
Operating services	56,658
Supplies	85,781
Capital outlay	16,405
Total expenditures	\$ 876,346
Excess (deficiency) of revenues over expenditures	\$ 50,672
Other financing sources (uses)	
Transfer in	\$ 1,278
Net change in fund balance	\$ 51,950
Fund balances at beginning of year	227,149
Fund balances at end of year	\$ 279,099

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the
Statement of Activities

For the Year Ended June 30, 2004

Net change in fund balances - total governmental funds	\$	51,950
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>		16,405
<p>Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.</p>		<u>(54,274)</u>
Change in net assets of governmental activities	\$	<u>14,081</u>

The accompanying notes are an integral part of this statement.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to GAAP differences over/(under)	Actual Amount GAAP Basis
	Original	Final			
Revenues					
Recordings	\$ 254,000	\$ 381,000	\$ 385,957	\$ 4,957	\$ 385,957
Cancellations	16,600	21,500	21,434	(66)	21,434
Mortgage certificates	21,000	28,000	28,695	695	28,695
Marriage licenses	7,800	7,800	8,330	530	8,330
Notarial fees	7,700	8,400	9,292	892	9,292
Election fees	-	-	5,765	5,765	5,765
Fees on suits and successions	242,000	290,000	285,165	(4,835)	285,165
Court attendance	5,664	6,500	6,180	(320)	6,180
Certified copies	61,000	79,000	86,871	7,871	86,871
Criminal cost	46,000	49,000	48,670	(330)	48,670
Qualifying fees	-	-	873	873	873
UCC certificates and filings	24,000	21,500	21,660	160	21,660
Investment income	2,900	1,200	1,876	676	1,876
Clerks supplemental pay	14,700	15,300	16,250	950	16,250
Total revenues	\$ 703,364	\$ 909,200	\$ 927,018	\$ 17,818	\$ 927,018
Expenditures					
Judiciary:					
Personal services	\$ 452,490	\$ 479,345	\$ 485,938	\$ (6,593)	\$ 485,938
Related benefits	200,000	224,300	227,755	(3,455)	227,755
Travel and professional development	500	1,500	3,809	(2,309)	3,809
Operating services	41,700	53,850	56,658	(2,808)	56,658
Supplies	86,000	83,000	85,781	(2,781)	85,781
Capital outlay	-	13,990	16,405	(2,415)	16,405
Total expenditures	\$ 780,690	\$ 855,985	\$ 876,346	\$ (20,361)	\$ 876,346
Excess (deficiency) of revenues over expenditures	\$ (77,326)	\$ 53,215	\$ 50,672	\$ (2,543)	\$ 50,672

(Continued)

The accompanying notes are an integral part of this statement.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to GAAP differences over(under)	Actual Amount GAAP Basis
	Original	Final			
Other financing sources (uses):					
Transfers in	\$ -	\$ -	\$ 1,278	\$ 1,278	\$ 1,278
Net change in fund balance	\$ (77,326)	\$ 53,215	\$ 51,950	\$ (1,265)	\$ 51,950
Fund balances at beginning of year	227,149	227,149	227,149	227,149	227,149
Fund balances at end of year	\$ 149,823	\$ 280,364	\$ 279,099	\$ 225,884	\$ 279,099

(Concluded)

The accompanying notes are an integral part of this statement.

Beauregard Parish Clerk of Court

Statement H

Statement of Fiduciary Net Assets
June 30, 2004

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Cash	<u>\$ 595,169</u>	<u>\$ 482,783</u>	<u>\$ 1,077,952</u>
LIABILITIES			
Liabilities:			
Held for others pending court action	<u>\$ 595,169</u>	<u>\$ 482,783</u>	<u>\$ 1,077,952</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2004

	Advance Deposit Fund	Registry of Court Fund	Total
ADDITIONS			
Deposits	\$ 473,476	\$ 1,658,351	\$ 2,131,827
Witness deposits	2,823	-	2,823
Bond deposits	12,500	-	12,500
Interest income	1,278	8,695	9,973
Total Additions	\$ 490,077	\$ 1,667,046	\$ 2,157,123
DEDUCTIONS			
Distributed to litigants	\$ -	\$ 1,573,056	\$ 1,573,056
Clerk fees	320,522	-	320,522
Local sheriff fees	39,446	-	39,446
Secretary of State fees	2,378	-	2,378
Curator fees	5,992	-	5,992
Other sheriff's fees	19,036	-	19,036
Other fees	2,524	-	2,524
Judge's supplement and comp fund	17,108	-	17,108
Thirty-sixth judicial expense	9,772	-	9,772
Commissioner of insurance fund	445	-	445
Court reporter fees	650	-	650
Advance refunds	104,985	-	104,985
Witness fees	4,264	-	4,264
Bond refunds	5,000	-	5,000
Transfer to general fund	1,278	-	1,278
Total Deductions	\$ 533,400	\$ 1,573,056	\$ 2,106,456
CHANGE IN NET ASSETS	\$ (43,323)	\$ 93,990	\$ 50,667
Net Assets - Beginning	638,492	388,793	1,027,285
Net Assets - Ending	<u>\$ 595,169</u>	<u>\$ 482,783</u>	<u>\$ 1,077,952</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements For the Year Ended June 30, 2004

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Beauregard Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Beauregard Parish Policy 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 Beauregard Parish Police Jury, the financial reporting entity.

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

C. Fund Accounting

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

Governmental Funds

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

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

Fiduciary Funds

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

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

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., revenues 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, 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 clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and 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

Revenues are recognized when they become measurable and available as net current assets. Advance deposits and Registry of Court funds are considered measurable when collected by the clerk of court.

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 (and any other financing source/use) are accounted for as other financing sources (uses).

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the clerk as a whole. 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*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

E. Budgets

The clerk uses the following budget practices:

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

The proposed budget for the 2004 fiscal year was made available for public inspection at the clerk's office on June 14, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal approximately ten days before the public hearing. The budget hearing was held at the clerk's office on June 14, 2003. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year-end.

Formal budget integration is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

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.

Under state law, the clerk of court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. 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.

H. Prepaid Items

Prepaid items consist of insurance premiums paid in advance for terms extending into the subsequent year.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$1,000 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>
Machinery and equipment	5-10 years
Furniture and fixtures	5-10 years
Vehicles	5-10 years

J. Vacation, Sick Leave and Holidays

After employed for a period of six months, employees will be entitled to one-week vacation with pay; after twelve months, two weeks with pay.

Sick leave policy depends upon the circumstances involved. If sick, employees will be paid for a reasonable period of absence.

Legal holidays are established by law. At the present time the clerk has a total of eleven holidays observed by his office.

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

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

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the clerk of court, which are either unusual in nature or infrequent in occurrence.

M. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

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.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2004:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General Fund	\$ 780,690	\$ 855,985	\$ 876,346	\$ (20,361)

3. CASH AND CASH EQUIVALENTS

At June 30, 2004, the clerk of court has cash and cash equivalents (book balances) totaling \$1,333,366 as follows:

Passbook savings	\$ 472,330
Interest bearing demand deposits	118,500
Time deposits	138,477
Demand deposits	433,961
Petty cash	100
Money market investment accounts	169,998
Total	<u>\$ 1,333,366</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2004, the clerk of court has \$1,486,109 in deposits (collected bank balances), of which \$676,478 are public funds. These public funds are secured from risk by \$200,000 of federal deposit insurance and \$476,478 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The receivables of \$27,193 at June 30, 2004, are as follows:

<u>Class of receivable</u>	<u>General Fund</u>
Recordings	\$ 19,219
Cancellations	1,068
Mortgage certificates	1,335
Notarial fees	800
Certified copies	4,271
Court attendance	500
Total	<u>\$ 27,193</u>

5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated				
Vehicles	\$ 26,815	\$ 34,991	\$ 26,815	\$ 34,991
Furniture and fixtures	51,030	-	-	51,030
Machinery and equipment	377,842	-	-	377,842
Total capital assets being depreciated	<u>455,687</u>	<u>34,991</u>	<u>26,815</u>	<u>463,863</u>
Less accumulated depreciation for:				
Vehicles	18,771	4,665	18,771	4,665
Furnitures and fixtures	16,751	5,104	-	21,855
Machinery and equipment	183,353	44,505	-	227,858
Total accumulated depreciation	<u>218,875</u>	<u>54,274</u>	<u>18,771</u>	<u>254,378</u>
Total capital assets being depreciated, net	<u>\$ 236,812</u>	<u>\$ (19,283)</u>	<u>\$ 8,044</u>	<u>\$ 209,485</u>

Depreciation expense of \$54,274 for the year ended June 30, 2004, was charged to the following governmental functions:

Judiciary	<u>\$ 54,274</u>
-----------	------------------

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Concluded)

6. INTERFUND TRANSFERS

	Transfer in	Transfer out
Advance deposit fund	\$ -	\$ 1,278
General fund	1,278	-
Total	\$ 1,278	\$ 1,278

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$12,762 at June 30, 2004, are as follows:

	General Fund
Withholdings	\$ 700
Accounts	12,062
Total	\$ 12,762

8. PENSION PLAN

Plan Description – Substantially all employees of the Beauregard 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. This report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 111745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy- Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Beauregard Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (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 Beauregard Parish Clerk of court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Beauregard Parish Clerk of Court’s contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$50,410, \$41,794, and \$38,669, respectively, equal to the required contributions for each year.

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

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

OTHER REPORTS

Schedule of Prior Year Audit Findings
Year Ended June 30, 2004

Findings - Financial Statement Audit

There were no prior year audit findings reported as of June 30, 2004.

John A. Windham, CPA

A Professional Corporation

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA

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

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana

I have audited the financial statements of the governmental activities of the Beauregard Parish Clerk of Court, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Beauregard Parish Clerk of Court, Louisiana's basic financial statements and have issued my report thereon dated November 10, 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 Beauregard Parish Clerk of Court, 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 Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Beauregard Parish Clerk of Court, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana
Page 2

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

A handwritten signature in black ink that reads "J. Windham, CPA". The signature is written in a cursive style with a large initial "J" and "W".

DeRidder, Louisiana
November 10, 2004