

**LASALLE PARISH CLERK OF COURT
JENA, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2005**

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 2-8-06

LaSalle Parish Clerk of Court
Jena, Louisiana

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LaSalle Parish Clerk of Court
Jena, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

As management of the LaSalle Parish Clerk of Court, we offer readers of the Clerk's financial statements this narrative overview and analysis of the financial activities of the Clerk for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the Clerk's financial statements, which are attached.

Financial Highlights

(GWFS)

- The assets of the governmental activities of the Clerk exceeded its liabilities at the close of the most recent fiscal year by \$51,214 (net assets).
- In the governmental activities, the Clerk's office had total program revenues of \$563,091 and total program expenses of \$643,067, leaving a change in net assets of \$79,976.

(FFS)

- In the General Fund the Clerk's office has total revenues of \$563,309 and total expenditures of \$642,982 which decreased the fund balance by \$(79,673) leaving a deficit fund balance of \$(12,090).
- The Clerk's capital outlay for the year was \$11,290.
- The Agency Fund has total assets of \$471,885.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The Clerk's basic financial statements consist of the Statement of Net Assets, Statement of Activities, Statement of Revenue, Expenditures and Changes in Fund Balances, Balance Sheet, and the Notes to the Basic Financial Statements.

The Clerk's overall financial position and operations for the past two years summarized below on the information in the current and prior financial statements.

**Statement of Net Assets
Governmental Activities**

<u>Category</u>	<u>2004</u>	<u>2005</u>	<u>%Change</u>
Cash & Cash Equivalents	\$60,026	\$ 1,394	-98%
Receivables	29,695	30,859	4%
Capital Assets, Net	<u>92,208</u>	<u>83,613</u>	<u>-9%</u>
Total Assets	<u>\$181,929</u>	<u>\$115,866</u>	<u>36%</u>
Accounts Payable	\$22,138	\$ 42,727	93%
Long-Term Debt (Within One Year)	7,800	7,800	0%
Long-Term Debt (Due After One Year)	<u>21,019</u>	<u>12,509</u>	<u>-40%</u>
Total Liabilities	<u>\$ 50,957</u>	<u>\$ 63,036</u>	<u>25%</u>
Investment in Capital Assets, Net of Debt	\$ 63,389	\$ 63,304	-1%
Unrestricted Assets	<u>67,583</u>	<u>(12,090)</u>	<u>-115%</u>
Total Net Assets	<u>\$130,972</u>	<u>\$51,214</u>	<u>-65%</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund**

<u>Category</u>	<u>2004</u>	<u>2005</u>	<u>%Change</u>
Revenues	\$613,032	\$563,309	-8%
Expenditures	<u>635,645</u>	<u>642,982</u>	<u>1%</u>
Deficiency of Revenues Over Expenditures	\$ (22,613)	\$ (79,673)	-245%
Other Financing Sources	35,924	0	
Fund Balance-Beginning	<u>54,272</u>	<u>67,583</u>	<u>25%</u>
Fund Balance-Ending	<u>\$ 67,583</u>	<u>\$ (12,090)</u>	<u>-115%</u>

Government-Wide Statements

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

The two government-wide statements report the LaSalle Parish Clerk of Court's net assets and how they have changed. Net assets-the difference between the government's assets and liabilities.

- Over time, increases or decreases in the Clerk's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- *To assess the overall health of the government, one needs to consider additional non-financial factors such as changes in the Clerk's revenue sources.*

The government-wide financial statements of the LaSalle Parish Clerk of Court include the *Governmental Activities*. Most of the Clerk's basic services are included here, such as legal recordings and filings.

Fund Financial Statements

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

The LaSalle Parish Clerk of Court has the following types of funds:

- *Governmental Funds* – Most of the Clerk's basic services are included in governmental funds, which focus on (a) how cash and other financial assets can readily be converted to cash flow in and out and (b) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. Because this information does not encompass the additional long-term focus of the governmental-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary Funds* – The Clerk is the trustee, or fiduciary, for certain funds. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Clerk's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Clerk's governmental-wide financial statements because the Clerk cannot use these assets to finance its operations.

Contacting the LaSalle Parish Clerk of Court

This financial report is designed to provide a general overview of the LaSalle Parish Clerk of Court's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

LaSalle Parish Clerk of Court
P. O. Box 1316
Jena, LA 71342

Johnson, Thomas & Cunningham
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Steve H. Crooks
LaSalle Parish Clerk of Court
Jena, Louisiana

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the LaSalle Parish Clerk of Court, Jena, Louisiana, a component unit of the LaSalle Parish Police Jury, as of and for the year ended June 30, 2005, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the LaSalle Parish Clerk of Court's management. Our responsibility is to express opinions 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 opinions.

Management has not instituted a policy to reconcile the cash account balances in the Advance Deposit Agency Fund to the applicable liabilities due to litigants. Accounting principles generally accepted in the United States of America require that agency fund assets equal liabilities. The amount of the difference between cash balances and the liabilities of this fund, if any, is not reasonably determinable.

In our opinion, except for the effects, if any, of not reconciling the assets and liabilities of the Advance Deposit Agency Fund as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and fiduciary funds of the LaSalle Parish Clerk of Court as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2005, on our consideration of the LaSalle Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 1 through 4 and 29, respectively, 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. We 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, we did not audit the information and express no opinion on it.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 21, 2005

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Statement of Net Assets
June 30, 2005

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash	\$ 1,393
Accounts Receivable	<u>30,859</u>
Total Current Assets	\$ 32,252
Noncurrent Assets	
Capital Assets, Net	<u>83,613</u>
Total Assets	<u>\$115,865</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable and Accruals	\$ 44,342
Current Long-Term Debt	<u>7,800</u>
Total Current Liabilities	\$ 52,142
Noncurrent Liabilities:	
Long-term Debt	<u>12,509</u>
Total Liabilities	\$ 64,651
NET ASSETS:	
Investment in Capital Assets, Net of Related Debt	\$ 63,304
Deficit	<u>(12,090)</u>
Total Net Assets	<u>\$ 51,214</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Activities
June 30, 2005

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$643,067</u>	<u>\$563,091</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ (79,976)</u>
		General Revenues:			
				Interest	<u>\$ 218</u>
				Total General Revenues	<u>\$ 218</u>
				Change in Net Assets	<u>\$ (79,758)</u>
				Net Assets June 30, 2004	<u>130,972</u>
				Net Assets June 30, 2005	<u>\$ 51,214</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Balance Sheet-Governmental Fund
June 30, 2005

ASSETS:

Cash	\$ 1,393
Accounts Receivable	<u>30,859</u>
Total Assets	<u>\$ 32,253</u>

LIABILITIES:

Accounts Payable and Accruals	\$ 44,342
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FUND BALANCES:

Deficit	<u>(12,090)</u>
Total Liabilities & Fund Balances	<u>\$ 32,253</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
June 30, 2005

Total Fund Balance for the Governmental Fund at June 30, 2005	\$(12,090)
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 fund. Those assets consist of:	
Furniture, Fixtures, and Equipment, Net of Accumulated Depreciation	83,613
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental funds Balance Sheet- Long-term Debt	<u>(20,309)</u>
Total Net Assets of Governmental Activities at June 30, 2005	<u>\$51,214</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
June 30, 2005

Revenues:	
Fees & Charges for Services	\$563,091
Interest	<u>218</u>
Total Revenues	<u>\$563,309</u>
Expenditures:	
Current-	
Judicial-	
Personnel Services	\$362,539
Office Expense	131,761
Insurance	95,380
Filing Fees	14,929
Other Office	17,692
Miscellaneous	931
Debt Service	8,510
Capital Expenditures	<u>11,290</u>
Total Expenditures	<u>\$642,982</u>
Deficiency of Revenues over Expenditures	\$ (79,673)
Fund Balance-Beginning of Year	<u>67,583</u>
Fund Deficit-End of Year	<u>\$ (12,090)</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended June 30, 2005

Total Net Change in Fund Balance at June 30, 2005, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$(79,673)
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Payments made on Long-term Debt are shown as expenditures in the Governmental Funds, but the payments reduce Long-term Liabilities in the Statement of Net Assets. Changes in Long-term Debt were	8,510
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 depreciation (\$19,885) exceeds capital outlay \$11,290 in the current period.	<u>(8,595)</u>
Total Changes in Net Assets at June 30, 2005, per Statement of Activities	<u>\$(79,758)</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Non-Support <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	\$212,733	\$197,482	\$1,670	\$411,885
Investments	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
Total Assets	<u>\$272,733</u>	<u>\$197,482</u>	<u>\$1,670</u>	<u>\$471,885</u>
LIABILITIES:				
Due to Others	<u>\$272,733</u>	<u>\$197,482</u>	<u>\$1,670</u>	<u>\$471,885</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Changes in Fiduciary Net Assets
for the Year Ended June 30, 2005

	Advance Deposit Fund	Registry of Court Fund	Non-Support Fund	Total
ADDITIONS:				
Suits and Successions	\$302,324	\$ 40,287	\$11,300	\$353,911
Interest Income	<u>321</u>	<u>1,355</u>	<u>0</u>	<u>1,676</u>
Total Additions	<u>\$302,645</u>	<u>\$ 41,642</u>	<u>\$11,300</u>	<u>\$355,587</u>
DEDUCTIONS:				
Clerk's Costs (paid to general fund)	\$195,458	\$ 0	\$ 359	\$195,817
Settlements to Litigants	106,480	327,545	0	434,025
Sheriff's Fees	23,531	0	2,687	26,218
Court Reporters	42	0	0	42
Attorneys, Curators, Notary	1,507	0	0	1,507
Judges' Supplemental Fund	10,217	0	0	10,217
Clerk's Supplemental Fund	3,346	0	0	3,346
Other Deductions	<u>4,363</u>	<u>(9)</u>	<u>7,627</u>	<u>11,981</u>
Total Deductions	<u>\$344,944</u>	<u>\$327,536</u>	<u>\$10,673</u>	<u>\$683,153</u>
Change in Liabilities	\$ (42,299)	\$(285,894)	\$ 627	\$ (327,566)
Total Liabilities-Beginning	<u>315,032</u>	<u>483,376</u>	<u>1,043</u>	<u>799,451</u>
Total Liabilities -Ending	<u>\$272,733</u>	<u>\$197,482</u>	<u>\$ 1,670</u>	<u>\$471,885</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

Introduction:

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the LaSalle 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.

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the LaSalle 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-

As the governing authority of the parish, for reporting purposes, the LaSalle Parish Police Jury is the financial reporting entity for LaSalle Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the LaSalle Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the LaSalle Parish Police Jury does not appoint a voting majority but are fiscally dependent on the LaSalle Parish Police Jury.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the LaSalle Parish Police Jury provides office facilities for the Clerk of Court, the Clerk of Court was determined to be fiscally dependent on the Police Jury and accordingly is considered to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the LaSalle Parish Police Jury, the general government services provided by that governmental unit, or the other governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING-

The LaSalle 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 Fund

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the LaSalle 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 this fund.

Fiduciary Funds

Agency Funds - The agency funds, the Advance Deposit Fund, Registry of Court Fund, and Non-Support Fund account for assets held by the clerk as an agent for others and litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the LaSalle Parish Clerk of Court, except for the fiduciary funds which are reported separately.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

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 nonexchange 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. 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 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.

The governmental fund and agency funds 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 LaSalle 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 obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

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.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

Expenditures-

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

E. BUDGETARY ACCOUNTING-

Formal budgetary accounting is employed as a management control. The LaSalle 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 less than budgeted amounts by five percent or more and/or projected expenditures are expected to be more than budgeted amount 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 LaSalle 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.

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.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

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, 2005, \$0 was considered uncollectible.

J. CAPITAL ASSETS-

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the LaSalle Parish Clerk of Court is 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 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-

Full-time employees of the LaSalle Parish Clerk of Court earn ten days of vacation and five days of sick leave each two years. The leave must be used in the two years earned, and there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments:

Cash and Investments are held separately by each of the Clerk's funds. At June 30, 2005, cash and investments totaled \$413,279 (book balances). Bank account balances at June 30, 2005, totaled \$529,471. Of this amount, \$200,000 was insured by FDIC, and \$329,471 was secured by pledged securities. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, LA 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 that the fiscal agent has failed to pay deposited funds upon demand.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

3. Accounts Receivable:

The following is a summary of receivables at June 30, 2005:

<u>Class of Receivable</u>	<u>Total</u>
Fees & charges for services	\$17,996
Due from Agency Fund	<u>12,863</u>
Total Receivable	<u>\$30,859</u>

4. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2005, is as follows:

	<u>Balance</u> <u>06-30-04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-05</u>
Furniture fixtures, and equipment	\$170,181	\$11,290	\$0	\$181,471
Less, accumulated depreciation	<u>(77,973)</u>	<u>(19,885)</u>	<u>0</u>	<u>(97,858)</u>
Total Capital Assets, net	<u>\$92,208</u>	<u>\$(8,595)</u>	<u>\$0</u>	<u>\$ 83,613</u>

Depreciation expense of \$19,885 was charged to the judicial function.

5. Accounts Payable and Accruals:

The following is a summary of accounts payable at June 30, 2005:

<u>Class of Payable</u>	<u>Total</u>
Vendor	\$42,727
Salaries and related benefits	<u>1,615</u>
Total	<u>\$44,342</u>

6. Pension Plan:

Plan Description -- Substantially all employees of the LaSalle 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.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

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 produces 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.

Funding Policy – Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the LaSalle Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 14.5 percent of annual covered payroll. Of the 8.25 percent of the member contributions, the LaSalle 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 a plan member and the LaSalle 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 LaSalle Parish Clerk of Court's contribution to the System for the years ending June 30, 2005, 2004, and 2003, were \$40,184, \$30,372 and \$24,571, respectively, equal to the required contribution for each year.

7. Postretirement Benefits:

The LaSalle 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 employee are provided by an insurance company, with monthly premium payments being made by the Clerk to the Louisiana Clerks of Court Association. The LaSalle Parish Clerk of Court provides 100 percent of the cost of the monthly premiums for active employees and retired employees. The Clerk of Court recognizes the cost of providing these benefits (Clerk's portion of premiums for active and retired employee) as an expenditure when the monthly premiums are due. Total cost of these post retirement benefits to the Clerk's office during 2005 was \$10,058.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

8. Long-Term Debt:

A summary of changes in long-term debt follows:

Balance June 30, 2004	\$ 28,819
Additions	0
Deletions	<u>(8,510)</u>
Balance June 30, 2005	<u>\$ 20,309</u>

The clerk's office has the following capital lease as of June 30, 2005:

GMAC lease for the purchase of an auto originated on November 3, 2003 in the amount of \$34,074, payable in 48 monthly installments of \$792.49, interest at 5.59%.

Debt service requirements for the next years, which include \$1,464 in interest payments, are as follows:

2006	\$ 8,717
2007	9,510
2008	<u>3,546</u>
Total	\$21,773

9. Deficit Fund Balance:

The deficit fund balance of (\$12,090) in the Salary Fund will be eliminated in subsequent years by reducing expenditures below revenues.

10. Risk Management:

The LaSalle 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.

11. Litigation and Claims:

There was no outstanding litigation against the LaSalle Parish Clerk of Court at June 30, 2005.

12. Expenditures of the Clerk of Court Paid by the LaSalle Parish Police Jury:

Certain expenses of the LaSalle Parish Clerk of Court's office are paid by the LaSalle 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.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2005

13. Excess Fund Balance:

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the LaSalle Parish Clerk of Court must pay the parish treasurer the portion of the General Clerk'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, 2005, there was no amount due the Parish Treasurer.

14. Subsequent Events:

Litigation and Claims – Class Action Suit

In October 2005, a class action suit was filed against the Louisiana Clerk of Court Association and all of the District Clerks of Court in the State of Louisiana. The Clerks of Court plan to hire one attorney to represent all of the defendants. Although the outcome of this lawsuit is not presently determinable, management believes resolution of this matter would not create a liability in excess of insurance coverage, and therefore would not have an adverse effect on the financial condition of the LaSalle Parish Clerk of Court.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

LaSalle Parish Clerk of Court
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES				
Recording	\$ 92,032	\$ 84,367	\$ 85,811	\$ 1,444
LCRI	125	158	145	(13)
Mortgage Certificate	85,782	100,515	108,929	8,414
Marriage License	2,700	2,536	2,375	(161)
Notarial Fees	850	779	0	(779)
Civil Suit	195,500	197,140	193,968	(3,172)
Copies	46,803	57,854	61,763	3,909
Sundry	63,148	81,168	79,869	(1,299)
Clerk's Register	8,709	9,785	9,061	(724)
UCC Filings	26,092	22,315	21,170	(1,145)
Interest	<u>1,234</u>	<u>225</u>	<u>218</u>	<u>(7)</u>
Total Revenues	<u>\$522,975</u>	<u>\$556,842</u>	<u>\$563,309</u>	<u>\$ 6,467</u>
EXPENDITURES:				
Current-				
Judicial-				
Personnel Salaries & Benefits	\$345,306	\$362,807	\$362,539	\$ 268
Office Expense	97,779	113,438	151,561	(38,123)
Insurance	92,500	100,999	95,330	5,669
Filing Fees	25,065	15,397	14,929	468
Other Office	32,533	18,146	17,692	454
Miscellaneous	<u>5,000</u>	<u>2,000</u>	<u>931</u>	<u>1,069</u>
Total Expenditures	<u>\$598,183</u>	<u>\$612,787</u>	<u>\$642,982</u>	<u>\$(30,195)</u>
Excess Revenues over Expenditures	\$ (75,208)	\$ (55,945)	\$ (79,673)	\$(23,728)
Fund Balance-Beginning of Year	<u>67,583</u>	<u>67,583</u>	<u>67,583</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 7,625</u>	<u>\$ 11,638</u>	<u>\$ (12,090)</u>	<u>\$(23,728)</u>

SUPPLEMENTARY INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Steve H. Crooks
LaSalle Parish Clerk of Court
Jena, Louisiana

We have audited the financial statements of the governmental activities, major fund and fiduciary funds of the LaSalle Parish Clerk of Court, a component unit of the LaSalle Parish Police Jury, as of and for the year ended June 30, 2005, which collectively comprise the LaSalle Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the LaSalle Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Clerk's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reporting conditions are described in the accompanying schedule of auditor's comments and recommendations as item #05-01.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control 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 weakness. However, we believe that the reportable condition described above is a material weakness.

Compliance and Other Matters

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

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

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 21, 2005
Natchitoches, Louisiana

LaSalle Parish Clerk of Court
Schedule of Auditor's Comments and Recommendations
Year Ended June 30, 2005

Reconciliation of Advance Deposit Fund Amounts

05-1 *Condition*-A good system of internal controls includes the reconciling of related account balances to ensure completeness and accuracy. The Clerk of Court does not have a system in place to reconcile the cash accounts of the Advance Deposit Fund to the related liability accounts. As a result, errors and omissions can occur and not be detected between these accounts.

Recommendation-We recommend that the Clerk's accounting software be modified to allow the preparation of reports to assist in the reconciliation of these accounts and that the Clerk's office institute policies to perform these reconciliations on a monthly basis.

LaSalle Parish Clerk of Court
Schedule of Prior Audit Findings
June 30, 2005

Travel and Credit Cards

- 04-F1 *Prior Year Condition*-The documentation maintained for travel and credit card expenses did not contain sufficient detail as to the purpose of the travel, the person involved, or the reconciliation of travel advances to actual expenditures.

Action Taken-For the current year, the sample of travel expenses documentation found that procedures have been established to correct this condition.

Reconciliation of Advance Deposit Fund Amounts

- 04-F2 *Prior Year Condition* -The cash accounts of the Advance Deposit Fund were not being reconciled to the related liability accounts for this fund.

Action Taken-This condition still exists and is reported as comment #05-01 for the current year.

Asset Management Law

- 04-F3 *Prior Year Condition*-For the prior year, the Clerk's Office did not have an accurate listing of assets, and in addition, assets were not properly tagged in accordance with Louisiana Statutes.

Action Taken-During the year ended June 30, 2005, the Clerk's Office revised its fixed asset listing and instituted procedures to update the list as new assets are purchases or deleted. The Clerk's Office is currently instituting procedures to tag all physical assets of the office.

Late Submission of Audit Report

- 04-F4 *Prior Year Condition*-For the prior year, the Clerk's Office annual audit report was not completed and submitted to the Louisiana Legislative Auditor's Office within the six month period allowed.

Action Taken-This condition was not repeated for the current year.

Software Development Costs

- 04-F5 *Prior Year Condition*-During the prior two year period, the Clerk's auditor questioned the reasonableness of expenses being paid by the Clerk to develop a software system.

Action Taken-The Clerk has obtained legal counsel who advise that there are no questions to be raised as to legal compliance on the software expenditures. The Clerk's response to this situation is included within this report.

EX-OFFICIO RECORDER
EX-OFFICIO NOTARY

Steve H. Crooks
CLERK OF COURT
28th Judicial District
Parish of LaSalle



Phone: 318-992-2158 • Fax: 318-992-2157 • P. O. Box 1372 • Jena, Louisiana 71342

December 22, 2005

Mr. Mark Thomas, CPA
321 Bienville
Natchitoches, La. 71457

Fax: 318 352-4447

Re: Response to Audit Evaluation

Dear Mark,

I submit the following items to you for answer to the recent audit which you have just completed for the LaSalle Parish Clerk Of Court's Office.

Item No 1 - The Clerk of Court does retain complete receipts for travel expenses.

Item No 2 - The LaSalle Parish Clerk of Court is continuing, to try to complete a new civil/advance deposit accounting system which will contain adequate provisions for bank/accounting reconciliation._

Item No 3 - The LaSalle Parish Clerk of Court maintains a complete register of all fixed assets.

Item No 4 - The LaSalle Parish Clerk of Court continues to pay the operators of SmithdataCom, a firm, located in Houston, Texas on a monthly invoiced method for work done. Those invoices contain a detailed 'hourly work basis and are paid monthly as funds are available.

A formal contract is being prepared by Robert Nida, Attorney at Law, a member of the firm of Gold, Weems, Sues, Bruser and Rundell in Alexandria, La. The contract will be formalized within the 1st quarter of 2006 and will also contain agreements for other offices which may elect to purchase these programs which will be registered in the name of *Unicourt*

I trust that this response will be adequate and suitable for inclusion in your recent audit evaluation.

Sincerely,


Steve H Crooks
Clerk of Court
LaSalle Parish, La.