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**POINTE COUPEE PARISH CLERK OF COURT
NEW ROADS, LOUISIANA**

Annual Financial Statements

As of and for the year Ended June 30, 1996

W. Kathleen Beard
Certified Public Accountant
210 East Main Street - P. O. Box 811
New Roads, Louisiana 70760
(504) 638-3111

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To Mr. I. G. Olinde, Clerk
Pointe Coupee Parish Clerk of Court
New Roads, Louisiana

I have audited the general purpose financial statements of the Pointe Coupee Parish Clerk of Court, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 23, 1996.

I conducted my audit in accordance with generally accepted auditing standards, and *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.

Compliance with laws, regulations, contracts, and grants applicable to the Pointe Coupee Parish Clerk of Court is the responsibility of the Clerk's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards* and that are material to the financial statements, the effects of which have been reported as a liability in the Pointe Coupee Parish Clerk of Court's financial statements.

Condition: At June 30, 1992, the amount due to the parish treasurer for disposition of the Clerk's Salary Fund was \$94,801. This amount was not paid at June 30, 1994 and remains unpaid at June 30, 1996.

Criteria: Louisiana Revised Statute 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 term of office.

Possible asserted effect: There is no effect on the financial statements since a liability was recorded at June 30, 1992 and remains on the balance sheet at June 30, 1996.

Recommendation: Appropriate action should be taken to resolve this matter.

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Schedule of Changes in Unsettled Deposits
 Fiduciary Fund Types - Agency Funds
 For the year ending June 30, 1996

Schedule 2

	Advance Deposit Fund	Registry of Court Fund	Total
Unsettled Deposits at Beginning of Year	\$480,927	\$1,163,555	\$1,644,482
Additions:			
Suits and Successions	454,298	0	454,298
Concursus	0	2,066	2,066
Bonds	0	0	0
Clerks fees	0	0	0
Interest earned	15,101	42,296	57,398
Miscellaneous	0	0	0
	-----	-----	-----
Total Additions	469,400	44,362	513,762
Reductions:			
Appeal fees	4,557	0	4,557
Clerk's fees	205,347	0	205,347
Court reporter fees	5,966	0	5,966
Filing fees	5,483	0	5,483
Filing fees - 18th Judicial	20,594	0	20,594
Jury venire	2,241	0	2,241
Jury costs	6,692	0	6,692
Legal and accounting	0	0	0
Local sheriffs' costs	44,568	0	44,568
Other sheriffs' costs	16,422	0	16,422
Office supplies (postage)	0	0	0
Refunds	146,012	9,982	155,994
Representative fees	8,226	0	8,226
Transcription fees	3,105	0	3,105
Witness fees	2,605	0	2,605
Miscellaneous	2	180	182
	-----	-----	-----
Total Reductions	471,819	10,162	481,981
	-----	-----	-----
Unsettled Deposits at End of Year	\$478,508	\$1,197,755	\$1,676,263
	=====	=====	=====

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Combining Balance Sheet
 Fiduciary Fund Types - Agency Funds
 June 30, 1996

Schedule 1

	Advance Deposit Fund	Registry of Court Fund	Total
ASSETS			
Cash	\$478,508	\$1,197,755	\$1,676,263
TOTAL ASSETS	<u>\$478,508</u> =====	<u>\$1,197,755</u> =====	<u>\$1,676,263</u> =====
LIABILITIES			
Due to General Fund	\$193,280	\$0	\$193,280
Unsettled Deposits	285,228	1,197,755	1,482,983
TOTAL LIABILITIES	<u>\$478,508</u> =====	<u>\$1,197,755</u> =====	<u>\$1,676,263</u> =====

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script that reads "W. Kathleen Beard". The signature is written in black ink and is positioned above the typed name.

W. Kathleen Beard
Certified Public Accountant
December 23, 1996

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Notes to the Financial Statements
 June 30, 1996

1. Summary of Significant Accounting Policies (Continued)

E. Budget Practices

The budget for the 1996 fiscal year was legally adopted on the cash basis of accounting which is a basis other than generally accepted accounting principles. The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types presents comparisons of the legally adopted budget with actual data on a budgetary basis (cash basis). Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of cash basis data and modified accrual basis data presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Fund Types and Account Groups follows:

Excess Revenues over (under) Expenditures - Cash Basis	\$ 58,021
GAAP Basis Adjustments -	
Revenues	77,268
Expenditures	(8,627)

Excess Revenues over (under) Expenditures - GAAP Basis	\$ 126,664
	=====

Formal budgetary integration is employed as a management control device. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budgetary appropriations lapse at the end of each fiscal year.

F. Encumbrances

Encumbrance accounting is not employed by the Clerk.

G. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the clerk of court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. State law also allows, investment by the clerk of court 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. Investments are stated at cost.

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INDEPENDENT AUDITOR'S REPORT

Mr. I. G. Olinde, Clerk
Pointe Coupee Parish Clerk of Court
New Roads, Louisiana

I have audited the accompanying general purpose financial statements of the Pointe Coupee Parish Clerk of Court as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the Pointe Coupee Parish Clerk Court management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Pointe Coupee Parish Clerk of Court, as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 23, 1996 on my consideration of Pointe Coupee Parish Clerk of Court's internal control structure and a report dated December 23, 1996 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements taken as a whole. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in my opinion, is fairly stated in all material respects in relation to such statements taken as a whole.



W. Kathleen Beard
Certified Public Accountant
December 23, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1996

Statement A

	Governmental Funds	Fiduciary Funds	Account Groups General	Totals Memorandum Only
	General Fund	Agency Funds	Fixed Assets	
ASSETS				
Cash	\$227,598	\$1,676,263	\$0	\$1,903,861
Accounts receivable	40,872	0	0	40,872
Due from Advance Deposit Fund	193,280	0	0	193,280
Office equipment	0	0	101,035	101,035
Vehicles	0	0	15,918	15,918
	\$461,749	\$1,676,263	\$116,953	\$2,254,965
	\$461,749	\$1,676,263	\$116,953	\$2,254,965
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$5,301	\$0	\$0	\$5,301
Due to General Fund	0	193,280	0	193,280
Due to Pointe Coupee Parish	182,542	0	0	182,542
Unsettled Deposits	0	1,482,983		1,482,983
	187,843	1,676,263	0	1,864,106
Fund Balance:				
Investment in General Fixed Assets	0	0	116,953	116,953
Fund Balances - Unreserved - undesignated	273,906	0	0	273,906
	273,906	0	116,953	390,859
	\$461,749	\$1,676,263	\$116,953	\$2,254,965

The accompanying notes are an integral part of these financial statements.

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Statement of Revenues, Expenditures and
 Changes in Fund Balance - Governmental Funds
 Year ended June 30, 1996

Statement B

General Fund

Revenues

Fees, charges and commissions for services:	
Recordings	\$165,924
Cancellations	6,532
Mortgage certificates	11,610
Marriage licenses	2,128
Certified copies	17,754
Civil suits	242,918
Court attendance	2,760
Criminal costs	12,356
Xeroxing	58,859
Candidate's qualifying fees	1,005
Clerks' compensation fund	9,927
Use of money and property - interest earned	4,205
Miscellaneous:	
Miscellaneous revenues	273

Total Revenues	536,250

(Continued)

The accompanying notes are an integral part of these financial statements.

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Funds
Year ended June 30, 1996

Statement B

Expenditures

General government:

Current -

Salaries - Clerk	53,649
Clerk's allowances	7,465
Salaries - Deputy clerks	176,858
Wages of extra help	17,059
Payroll taxes	198
Employer's group insurance	35,801
Employer's retirement expense	24,399
Indexing	13,300
Microfilm expense	6,818
Binders	11,403
Insurance & bond	7,192
Auto expense	793
Telephone	3,141
Office expense - supplies	10,007
Office expense - equipment maintenance	1,225
Office expense - postage	5,377
Office expense - rent	600
Machine rent	7,105
Professional fees	4,092
Travel and conventions	1,520
Association dues	1,582
Clerks' compensation fund	6,614
Chattel mortgage filings	9,794
Candidate qualifying fees	0
Miscellaneous	853
Capital outlays -	
Office equipment	2,741

Total Expenditures

409,586

Excess Revenues over (under) Expenditures

126,664

Fund Balance, Beginning

234,983

Disposition of clerk's salary fund

(87,741)

Fund Balance, Ending

\$273,906

=====

The accompanying notes are an integral part of these financial statements.

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual - Cash Basis
Year ended June 30, 1996

Statement C

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fees, charges and commissions for services:			
Recordings	\$120,000	\$138,270	\$18,270
Cancellations	7,000	6,482	(518)
Mortgage certificates	12,000	11,731	(269)
Marriage licenses	3,000	1,831	(1,169)
Certified copies	15,000	16,084	1,084
Civil fees	195,000	206,259	11,259
Court attendance	4,000	3,048	(952)
Criminal fees	14,000	12,450	(1,550)
Xeroxing	40,000	54,031	14,031
Candidate qualifying fees	0	1,005	1,005
Use of money and property - Interest earned	5,000	4,205	(795)
Miscellaneous:			
Clerks' compensation fund	3,600	3,313	(287)
Miscellaneous revenues	7,000	273	(6,727)
	-----	-----	-----
Total Revenues	425,600	458,981	33,381
Expenditures			
Current:			
General government -			
Salaries and related benefits	275,100	255,032	20,068
Group insurance and retirement contributions	63,000	60,399	2,601
Recording costs	28,000	31,380	(3,380)
Insurance	8,200	7,192	1,008
Office supplies and expense	22,100	23,363	(1,263)
All others	21,100	21,171	(71)
Capital Outlays:			
Office Equipment	0	2,422	(2,422)
	-----	-----	-----
Total Expenditures	417,500	400,959	16,541
	-----	-----	-----
Excess Revenues over (under) Expenditures	8,100	58,021	49,921
	-----	-----	-----
Fund Balance, Beginning	208,287	219,605	11,318
	-----	-----	-----
Fund Balance, Ending	\$216,387	\$277,627	\$61,240
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Notes to the Financial Statements
June 30, 1996

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 financial statements of the Pointe Coupee Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In May of 1990, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepting accounting principles for state and local governments.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for Pointe Coupee Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 Pointe Coupee 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 police jury does not appoint a voting majority but are fiscally dependent on the police jury.

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana

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Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Notes to the Financial Statements
June 30, 1996

1. **Summary of Significant Accounting Policies (Continued)**

C. **Fund Accounting (Continued)**

Agency Funds - The *Advance Deposit and Registry of Court Funds* 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 Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds that have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawal of the funds can be made only upon order of the court.

D. **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues are recognized when they are earned; they include fees for recording, cancellations, mortgage certificates, certified copies, photo copies, and clerks costs associated with civil suits.

Expenditures are reported using the modified accrual basis of accounting whereby they are recognized in the accounting period in which the fund liability is incurred, if measurable and include salaries, office supplies, capital outlays and other operating expenditures.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script that reads "W. Kathleen Beard".

W. Kathleen Beard
Certified Public Accountant
December 23, 1996

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Notes to the Financial Statements
June 30, 1996

1. Summary of Significant Accounting Policies (Continued)

II. Fixed Assets

Fixed assets are recorded as capital expenditures at the time purchased and the related assets are capitalized in the general fixed assets account group. General fixed assets provided by the parish police jury are recorded with the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Interest has not been capitalized.

I. Compensated Absences

The clerk of court has the following policy relating to vacation and sick leave:

All full-time employees earn ten days of vacation each year after one year of continuous service, which noncumulative. Employees are not compensated for unused accrued vacation time upon termination of employment.

All full-time employees earn ten days of sick leave each year, also non-cumulative. Employees are not compensated for accrued sick leave upon termination of employment.

J. Total Columns on Statements

Total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Notes to the Financial Statements
June 30, 1996

2. Cash and Investments

At June 30, 1996, the clerk of court has cash (book balances) totaling \$1,903,861 with bank balances of \$1,928,576 detailed as follows:

	<u>Book Balances</u>	<u>Bank Balances</u>
Interest-bearing demand deposits	\$ 597,610	\$ 622,325
Money market accounts	1,306,251	1,306,251
Time deposits	<u>0</u>	<u>0</u>
	\$ 1,903,861	\$ 1,928,576
	=====	=====

These deposits are stated at cost, which approximate market. Under state law, these deposits, or 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 deposit with the fiscal agent bank. 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. Cash (bank balances) at June 30, 1996, are secured as follows:

	<u>Guaranty</u>	<u>Fiscal Agent Banks</u>		<u>Total</u>
		<u>Regions</u>	<u>Peoples</u>	
Bank Balances	\$ 245,117	\$ 705,953	\$ 977,506	\$ 1,928,576
Less: FDIC coverage	203,971	305,419	487,265	996,655
	<u>41,146</u>	<u>400,534</u>	<u>490,241</u>	<u>\$ 931,921</u>
Market value of Collateral Pledged	1,100,000	707,000	1,077,042	\$ 2,884,042
	-----	-----	-----	=====
Uninsured and Uncollateralized	\$ 0	\$ 0	\$ 0	
	=====	=====	=====	

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 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.

At June 30, 1996 the clerk holds no investments.

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Notes to the Financial Statements
 June 30, 1996

3. Receivables

Accounts receivable is comprised of amounts due for recordings, cancellations, mortgage certificates, certified copies, xeroxing, etc. which are billed monthly by the Clerk. As of June 30, 1996, the amount due was \$ 40,872.

4. Interfund Receivables and Payables

Fund	Receivable	Payable
General	\$ 193,280	\$ 0
Advance Deposit	0	193,280
	-----	-----
	\$ 193,280	\$ 193,280
	=====	=====

These amounts represent clerk's costs charged to criminal and civil suits which have not been transferred at June 30, 1996. Litigants' advance deposits are recorded in the fiduciary funds - Advance Deposit and Registry of Court Funds.

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Office Equipment	\$ 98,294	\$ 2,741	\$ 0	\$ 101,035
Vehicles	15,918	0	0	15,918
	-----	-----	-----	-----
	\$ 114,212	\$ 2,741	\$ 0	\$ 116,953
	=====	=====	=====	=====

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Notes to the Financial Statements
 June 30, 1996

6. Pension Plan

Substantially all employees of the Pointe Coupee Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and 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 per cent of their final-average salary for each year 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 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 by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's 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 following provided certain disclosures for the clerk of court and the retirement system that are required by GASB Codification Section P20.129:

Year Ended June 30, 1996

Pointe Coupee Parish Clerk of Court

Total current year payroll	\$ 230,508
Total current year covered payroll(including DROP payroll of \$52,722)	\$ 212,170

	<u>Required by Statute</u>		<u>Actual</u>		<u>Actuarially Required</u>	
	<u>Per Cent</u>	<u>Amount</u>	<u>Per Cent</u>	<u>Amount</u>	<u>Per Cent</u>	<u>Amount</u>
Contributions:						
Employees	8.25%	\$ 13,159	8.25%	\$ 13,155	8.25%	\$ 13,159
Employer	11.50%	24,400	11.50%	24,400	10.97%	23,275
Totals	19.75%	\$ 37,559	19.75%	\$ 37,555	19.22%	\$ 36,434
	====	====	====	====	====	====

Pointe Coupee Parish Clerk of Court
 New Roads, Louisiana
 Notes to the Financial Statements
 June 30, 1996

6. Pension Plan (Continued)

Per cent to total actuarially required contribution of all participating employers and employees	.432 % =====
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Retirement System

Year Ended June 30, 1996

Net Assets	\$ 112,216,664
Pension benefit obligation	(179,297,050)

Unfunded pension benefit obligation	(\$ 67,080,386)
	=====

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulation sufficient assets to pay benefits when due is presented in the System's June 30, 1996, comprehensive annual financial report. The Pointe Coupee Parish Clerk of Court does not guarantee the benefits granted by the System.

7. Other Post Employment Benefits

The clerk of court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the clerk's employees become eligible for the 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 through an insurance company whose monthly premiums are paid jointly by the employee and by the clerk of court. The clerk of court recognizes the cost of providing these benefits (the clerk's portion of premiums) as an expenditure when the monthly premiums are due, which for 1996 was \$ 3,880.

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Notes to the Financial Statements
June 30, 1996

8. Compensated Absences

At June 30, 1996, no liability for compensated absences has been recorded since unused leave is noncumulative.

9. Leases

The clerk of court leases office equipment under various operating leases. Aggregate rentals on operating, leases for the year ended June 30, 1996 amounted to \$ 7,105. Minimum annual lease payments under noncancelable three year operating leases on two copy machines are as follows

Fiscal Year:	Equipment
1996-97	\$ 4,500
1997-98	4,500
1998-99	<u>4,500</u>
Total	\$ 13,500
	=====

10. Litigation and Claims

At June 30, 1996, there is no pending litigation against the clerk of court.

11. Expenditures of the Clerk of Court Paid by the Parish Police Jury

Louisiana R.S. 13:784 provides that upon request of the Clerk, the police jury shall provide him with all necessary office furniture, equipment, and records and books. During the current year and the preceding four years, the Clerk has not requested that the police jury purchase any office furniture, equipment, and records and books for his office. All necessary office expenses purchased during this time, and during the year ending June 30, 1996 were paid by the Clerk's Salary Fund.

12. Excess Fund Balance (Due to Pointe Coupee Parish)

Louisiana Revised Statute 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. For the Clerk's 1992 - 1996 term, \$87,741 was due the parish treasurer. As of June 30, 1996, the amount due of \$94,801, for the Clerk's previous term (1988 - 92) had not been paid, therefore, the total amount due the police jury at June 30, 1996 for both terms is \$182,542.

SUPPLEMENTAL INFORMATION

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To Mr. I. G. Olinde, Clerk
Pointe Coupee Parish Clerk of Court
New Roads, Louisiana

I have audited the general purpose financial statements of the Pointe Coupee Parish Clerk of Court, for the year ended June 30, 1996, and have issued my report thereon dated December 23, 1996.

I have conducted my audit in accordance with generally accepted auditing standards, and *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 general purpose financial statements are free of material misstatement.

The management of Pointe Coupee Parish Clerk of Court is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss for unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Pointe Coupee Parish Clerk of Court, for the year ended June 30, 1996, I obtained an understanding of its internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Notes to the Financial Statements
June 30, 1996

I. Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

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 police jury does not finance any of the activities of the clerk of court, although allowed to do so by Louisiana law, the clerk of court is financially independent of the parish police jury and, therefore, was determined not to be a component unit of the Pointe Coupee Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the clerk of court. As an independently-elected parish official, the clerk of court is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

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.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the clerk of court are classified into two categories: governmental (General Fund) and fiduciary (Agency Funds). These funds are described as follows:

General Fund -

The General Fund, as provided by Louisiana Revised Statute 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 operation expenditures are paid from this fund.