

TERRITORIAL PARISH CLERK OF COURT

SALARY FUND

DETAIL OF OTHER REVENUES AND EXPENDITURES

FOR THE TWO YEARS ENDED JUNE 30, 1998

	<u>1998</u>	<u>1999</u>
OTHER REVENUES:		
Family Violence Fund	\$ 11,885	\$ 11,885
Electron Records	14,887	5,790
Transfer from Registry of Court Fund	529	498
Clerk's supplemental compensation fund	9,893	9,893
Notarial Fees	2,549	895
Miscellaneous	<u>3,672</u>	<u>5,286</u>
Total other revenues	\$ 42,405	\$ 39,357
OTHER EXPENDITURES:		
Clerk's supplemental compensation fund	\$ 19,500	\$ 19,500
DCC filing fees	17,881	19,455
Family Violence Fund	13,331	11,319
Auditing and accounting	3,400	3,000
Storage rental	4,800	4,800
Travel expenses	2,507	4,954
Advertising	68	148
Heat	1,900	3,900
Auto expenses	1,050	471
Payroll tax expense	3,812	5,080
Electricity expense	4,993	3,898
Liability insurance	27,647	28,898
Uniforms	1,788	3,168
Miscellaneous	<u>4,774</u>	<u>4,793</u>
Total other expenditures	\$106,621	\$126,428

agent has failed to pay deposited funds upon demand. Of the total deposits, \$1,531,675 are considered uncollateralized under the Financial Institutions Reform, Recovery and Enforcement Act of 1989. (the "Act") as the security agreements do not meet the requirements of Section 302(a) of the Act.

Category 1 includes investments that are insured or collateralized with securities held by the Clerk of Court or by its agent in the Clerk of Court's name. Category 2 includes investments collateralized with securities held by the pledging fiscal agent bank's trust department or agent in the Clerk of Court's name. Category 3 includes any bank balance that is collateralized with securities held by the pledging fiscal agent bank, or by its trust department or agent but not in the Clerk of Court's name.

Statutes authorize the Clerk of Court to invest in the following types of securities:

1. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
2. Direct obligations of the U. S. Government, including such instruments as treasury bills, treasury notes and treasury bonds.
3. Obligations of U. S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report and are regulated by the Federal Reserve Bank of New York.

All of the Clerk of Court's investments are considered type 1 investments.

5. RECEIVABLES:

The receivables of \$45,688 at June 30, 1995 are as follows:

Class of Receivable	Salary Fund	Agency Funds	Total
Accounts	\$ 92,394	\$ -	\$ 92,394
Interest	3,486	36,774	36,180
Fees on criminal cases	3,804	—	3,804
Total	\$ 99,684	\$ 36,774	\$ 136,458

6. CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	Balance June 30, 1994	Additions	Retirements	Balance June 30, 1995
Office equipment	\$ 475,996	\$ 2,250	\$ -	\$ 478,246
Furniture and fixtures	315,372	11,021	-	327,393
Automobiles	3,300	-	-	3,300
Leased equipment	158,195	—	—	158,195
Total	\$ 952,863	\$ 13,271	\$ -	\$ 966,134

5. PENSION PLAN:

Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (the System), a contributing, multiple-employer defined benefit plan, administered by a separate board of trustees.

All regular employees who are under the age of 65 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 33 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 300 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 benefits 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, 37705 Belknap Avenue, Suite B, Baton Rouge, Louisiana 70808, or by calling (844) 295-3162.

Plan members are required by state statute to contribute 0.25 percent of their annual covered salary and the Clerk is required to contribute at an actuarially determined rate. The current rate is 11.30 percent of annual covered payroll. Contributions to the System 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 Clerk are established and may be amended by state statute. As provided by Louisiana Revised Statute 12:403, 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 Clerk's contributions to the System for the years ending June 30, 1996, 1995, and 1994 were \$342,176, \$124,658 and \$301,390, respectively, equal to the required contributions for each year.

6. POSTRETIREMENT HEALTH CARE BENEFITS

It is the Clerk of Court's policy to provide certain continuing health care benefits for its retired employees. Substantially all of the Clerk of Court's employees become eligible for these benefits if they reach normal retirement age or obtain disability retirement while working for the Clerk of Court. There are 6 participants currently eligible to receive health care benefits. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid just by the employee and by the Clerk of Court. The Clerk of Court's costs of providing retiree health care benefits are recognized as expenditures when the monthly premiums are paid. For 1996, the costs of retiree benefits totaled \$15,406, of which \$2,700 was paid by retirees.

7. CHANGES IN UNSETTLED CLAIMS

A summary of changes in agency fund asserted claims follows:

	Balance June 30, 1995	Additions	Deductions	Balance June 30, 1996
Agency Funds				
Advance Deposit Fund	\$ 2,641,763	\$ 1,360,348	\$ 1,263,689	\$ 2,738,422
Regulatory Court Fund	1,251,084	872,682	782,642	1,341,124
Total	\$ 3,892,847	\$ 2,233,030	\$ 2,046,331	\$ 4,089,546

8. ADVANCE DEPOSIT FUND - DETAIL OF DOCKET BALANCE:

The Clerk of Court does not maintain a complete detail of aggregate docket balances in the Advance Deposit Fund. The aggregate of all docket balances as of June 30, 1996, represents the uncashed claims for this fund. A detail is maintained for all regular civil and probate dockets opened through June 30, 1996. Of the total uncashed claims as of June 30, 1996, \$10,022 relates to miscellaneous civil filings which were not given a regular civil case number and the adoption dockets. The Clerk of Court is presently in the process of developing a detail of outstanding docket balances for the above mentioned civil filings and adoption dockets.

9. COMMITMENTS:

The Clerk of Court has acquired several items of office equipment under various lease agreements. The remaining future lease obligations has an interest rate of 17.85% and has been reported as accretion of fund balance since it does not constitute an expenditure or liability. Remaining future payments under this lease agreement total \$3,416, all of which will be paid in fiscal 1997.

10. EXCESS FUND BALANCE:

Louisiana Revised Statute 13:788 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 Salary Fund's fund balance that exceeds one-half of the revenues of the Clerk of Court's last year of his term of office. As June 30, 1996, there was an amount due the parish treasurer as the Salary Fund's fund balance at that date did not exceed one-half of the revenues of the Salary Fund for the last year of the Clerk's four-year term of office.

Compensated Absences

The employees of the Clerk of Court are allowed a fixed number of days for vacation and sick leave each year. This leave policy does not provide for the accumulation or vesting of leave. Accordingly, no accrual for employee leave benefits has been recorded by the Clerk of Court.

Total Column on Combined Balance Sheet

The total column on the Combined Balance Sheet is captioned "Miscellaneous Only" to indicate that the amounts are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Fund Equity

Reserves - Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

Designated Fund Balances - Designated fund balances represent tentative plans for future use of financial resources.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At June 30, 1998, the Clerk of Court had cash, cash equivalents, and investments (time deposits maturing after 90 days) with bank balances totaling \$4,682,274, as follows:

Non-interest bearing demand deposits	\$ 820,000
Interest-bearing demand deposits	3,145,071
Money market accounts	571,515
Time deposits maturing in less than 90 days	1,705,800
Time deposits maturing after 90 days	439,888
Total	\$4,682,274

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 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. At June 30, 1998, the Clerk has \$4,874,005 in deposits (pledged bank balances). These deposits are secured from risk by \$1,508,698 of federal deposit insurance and \$3,365,307 of pledged securities held by the custodial bank in the name of the fiscal agent bank (Category 3).

Even though the deposits are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 281:229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the Clerk of Court that the fiscal

ARTHUR ANDERSEN LLP

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS OF THE CLERK, AS AN ENTITY

To the Terrahome Parish
Clerk of Court

We have audited the general-purpose financial statements of the Terrahome Parish Clerk of Court (the Clerk), as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 27, 1996, in which our opinion was qualified with respect to the effect of such adjustments, if any, as might have been determined to be necessary had we been able to audit evidence regarding the unsettled claims of the Advancer Dependent Fund.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The management of the Clerk 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 from unauthorized use or disposition and that transactions are recorded 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 our audit of the financial statements of the Clerk for the two years ended June 30, 1996, we obtained an understanding of the Clerk's internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk 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 structure. Accordingly, we do not express such an opinion.

Our 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 reportable condition in which the design or operation of one or more of the specific 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Clerk and the Legislative Auditors of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



New Orleans, Louisiana,
August 27, 1998

ARTUR ANDERSEN LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Terrebonne Parish
Clerk of Court

We have audited the accompanying general-purpose financial statements of the Terrebonne Parish Clerk of Court (the "Clerk") as of and for the two years ended June 30, 1996. These general-purpose financial statements are the responsibility of the Clerk's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we 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 evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain sufficient evidence to form an opinion regarding the amount of unaffiliated claims stated at \$2,707,275 at June 30, 1996 for the Advance Deposit Fund, as described in Note 5 to the financial statements.

In our opinion, except for the effect of such adjustments, if any, as might have been disclosed had we been able to audit evidence regarding unaffiliated claims of the Advance Deposit Fund, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Clerk of Court as of June 30, 1996, and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information included in Exhibits 1 and 2 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. This information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to audit evidence regarding the unaffiliated claims of the Advance Deposit Fund, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.



New Orleans, Louisiana,
August 27, 1996

TERRESONNE PARISH CLERK OF COURT

SCHEDULE OF CHANGES IN UNSETTLED CLAIMS

FOR THE TWO YEARS ENDED JUNE 30, 1956

	1955		1956	
	Advance Deposit Fund	Registry of Court Fund	Advance Deposit Fund	Registry of Court Fund
UNSETTLED CLAIMS AT BEGINNING OF YEAR	\$ 1,641,763	\$ 1,351,804	\$ 2,096,848	\$ 1,365,544
ADDITIONS:				
Deposits	2,270,988	528,409	2,643,812	418,811
Interest on investments	170,523	51,122	308,259	88,553
Total additions	2,441,511	579,531	2,952,071	507,364
REDUCTIONS:				
Referrals to Magistrate	-	776,583	-	583,000
Clerk's fees transferred to Salary Fund	1,054,804	-	886,313	-
Shirley's fees	509,262	-	298,344	-
Refunds to Magistrate and attorneys	522,492	-	589,578	-
Witnesses, appraisers and jury commission fees	96,835	-	126,722	-
Transfer to Salary Fund	118,323	529	184,759	499
Judge compensation fund	48,708	-	29,888	-
Secretary of state	23,965	-	21,688	-
Law clerk fees	61,668	-	35,190	-
Attorney, curator and notarial fees	24,388	-	25,554	-
Court reporter	55,175	-	21,822	-
Fees to other clerks	3,752	-	5,838	-
Law library commission	3,592	-	3,674	-
Other	4,717	7,317	4,738	5,800
Total reductions	2,265,889	784,902	2,802,896	203,222
UNSETTLED CLAIMS AT END OF YEAR	\$ 1,817,385	\$ 1,145,433	\$ 2,246,023	\$ 1,772,686

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TERREBONNE PARISH CLERK OF COURT
L. ROBERT BOUTHEAUX-CLERK OF COURT

GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996
TOGETHER WITH AUDITORS' REPORT

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

OCT 14 1996

Release Date _____

ARTHUR ANDERSEN LLP

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE OF THE CLERK, AS AN ENTITY

To the Terrebonne Parish
Clerk of Court:

We have audited the general-purpose financial statements of the Terrebonne Parish Clerk of Court (the Clerk), as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 27, 1996, in which our opinion was qualified with respect to the effect of such adjustments, if any, as might have been determined to be necessary had we been able to audit evidence regarding the asserted claims of the Advance Deposit Fund.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to the Clerk is the responsibility of the Clerk's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, we performed tests of the Clerk's compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Clerk and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



New Orleans, Louisiana,
August 27, 1996.

DEPARTMENT OF REVENUE

CONSOLIDATED BALANCE SHEET

AS OF THE END OF FISCAL YEAR 2017

BALANCE SHEET

	Consolidated Total Assets	Total Liabilities	Total Equity
ASSETS			
CASH AND CASH EQUIVALENTS	12,244	12,244	0
RECEIVABLES	2,044	1,474	570
DEBT FINANCING PROGRAM	15,946	-	15,946
PROPERTY INVESTMENTS	14,027	-	14,027
INVESTMENTS	8,100	2,000	6,100
FINANCIAL ASSETS	-	-	-
Total Assets	52,361	15,718	36,643
LIABILITIES AND EQUITY			
ACCOUNTS PAYABLE	1,104	1,104	0
DEBT FINANCING PROGRAM	-	20,028	20,028
LIABILITIES	1,104	21,132	20,028
Total Liabilities			
EQUITY			
Investment in General Fund Assets	-	-	24,571
Total Equity	-	-	24,571
Total Equity			24,571

ACCOUNTS PAYABLE
 THE FISCAL YEAR
 LIABILITIES

Total Assets

EQUITY
 Investment in General Fund Assets
 Total Equity

Total Liabilities and Total Equity

Consolidated Total Assets	Total Liabilities	Total Equity
12,244	12,244	0
2,044	1,474	570
15,946	-	15,946
14,027	-	14,027
8,100	2,000	6,100
-	-	-
52,361	15,718	36,643
1,104	1,104	0
-	20,028	20,028
1,104	21,132	20,028
-	-	-
-	-	24,571
-	-	24,571
		24,571
		24,571

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

**UNIVERSAL PAPER CORPORATION
CONDENSED BAL SHEET**

STATEMENT OF FINANCIAL POSITION - YEAR ENDED DECEMBER 31, 1992

ACTIVE ASSETS

CONDENSED BAL SHEET

	1992			1991		
	Actual	Budget	Variance Favorable/Unfavorable	Actual	Budget	Variance Favorable/Unfavorable
OTHER ASSETS						
Cash less banked from Advance Deposit Agency fund	\$1,142,629	\$1,948,000	\$1,805,371	\$1,942,000	\$1,942,000	\$1,520,000
Inventory less	41,750	184,000	232,250	20,410	262,000	241,590
Contract rights	20,000	184,000	164,000	77,448	276,000	1,982
Receivable from customers	50,000	40,000	10,000	56,000	50,000	6,000
Receivable from vendors	1,414	24,000	22,586	3,447	3,000	447
Receivable from other	7,861	3,000	4,861	1,797	1,000	797
Contract liabilities	31,671	31,000	671	31,671	11,250	20,421
Contract less less	70,187	64,000	6,187	61,149	67,000	5,851
Other	1,000	2,000	1,000	3,400	14,000	10,600
Total	1,212,632	2,121,000	898,368	2,019,665	2,608,000	588,335
OTHER LIABILITIES						
Accounts payable and related benefits	1,641,173	1,641,000	173	1,639,010	1,641,000	1,967
Other liabilities and equipment	2,726	3,000	274	3,000	3,000	274
Other payables	18,000	18,000	-	18,000	18,000	0
Prepaid and administrative expenses	7,142	2,000	5,142	1,000	1,000	-
Other	548	548	-	574	574	-
Total	1,669,589	1,664,548	5,041	1,661,584	1,664,574	2,967
Total expenditures						
Income production or utilization over expenditures	543,043	456,452	86,591	358,081	943,426	585,345
OTHER PRODUCTION RESULTS						
Income production or utilization over expenditures	1,642,632	1,664,548	22,916	347,581	1,664,574	316,907
Income production or utilization over expenditures						
Income production or utilization over expenditures	1,642,632	1,664,548	22,916	347,581	1,664,574	316,907
Income production or utilization over expenditures						
Income production or utilization over expenditures	1,642,632	1,664,548	22,916	347,581	1,664,574	316,907
Income production or utilization over expenditures						
Income production or utilization over expenditures	1,642,632	1,664,548	22,916	347,581	1,664,574	316,907

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

Because the Clerk of Court is totally dependent on the consolidated government, the Clerk of Court was determined to be a component unit of the Terrebonne Parish Consolidated Government, 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 consolidated government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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. 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 (Salary Fund) and fiduciary (Agency funds). These funds are as follows:

Salary Fund

The Salary Fund, as provided by Louisiana Revised Statute 13:385, is the principal fund of the Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Agency Funds

The Advance Deposit and Registry of Court agency funds account for assets held on behalf of others. Agency funds are custodial in nature (zero-sum liabilities) and do not involve measurement of results of operations.

The Advance Deposit Fund is used to account for advance deposits on writs filed by litigants. The advances are refundable to the litigants after all costs have been paid.

The Registry of Court Fund is used to account for funds which have been ordered by the Court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the Court.

General Fixed Assets Account Group

The General Fixed Assets Account Group represents a summary of the fixed assets of the Clerk of Court. Capital expenditures are recorded as expenditures of the Salary Fund at the time of purchase and are recorded, at cost, for control purposes in the General Fixed Assets Account Group. Assets provided by the parish consolidated government are also recorded within the General Fixed Assets Account Group as historical cost.

This account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. In accordance with generally accepted accounting principles as applied in the public sector, depreciation is not recorded on general fixed assets.

Method Accounting

The accompanying financial statements have been prepared on a modified accrual basis of accounting. The agency funds presented in the accompanying combined balance sheet have been prepared on the cash basis. Therefore, no receivables or payables are reflected with the exception of interest receivables which are accrued for in the Advance Deposit Fund. The Salary Fund is accounted for on the accrual basis in accordance with generally accepted accounting principles.

Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where the physical transfer of assets has not taken place as of year end, or where repayment is expected, the advances are accounted for through the various due from and due to accounts. The Clerk transfers interest earned on the investments of the Advance Deposit Fund to the Salary Fund to be utilized by the Salary Fund in its operations. The amounts transferred during fiscal 1996 and 1995 were \$113,325 and \$104,795, respectively.

Prepaid Expenditures

Payments made to vendors for services that will benefit periods beyond June 30, 1996 are recorded as prepaid expenditures. These amounts are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments (i.e. leases) for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the Salary Fund. Encumbrances outstanding at year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored in subsequent years.

Budget Policy

Prior to the beginning of each fiscal year, the Clerk prepares and approves a formal budget based upon estimated revenues and proposed expenditures for the coming year using the modified accrual basis of accounting. This proposed budget is published in the official journal of the Parish of Terrebonne and is presented to the public for review and inspection, after which it is finalized and adopted by L. Robert Boudreaux, the elected Clerk of Court of Terrebonne Parish. A certified copy of the budget is then filed with the Chief Executive or Administrative officer of the Terrebonne Parish Consolidated Government.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit, interest-bearing demand deposit, and money market accounts, as well as time deposits maturing within 90 days. 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. All interest income is recorded when earned.

Investments

Investments consist of time deposits with maturities between three and six months.