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ASCENSION PARISH CLERK OF COURT

JUNE 30, 1999

FINANCIAL STATEMENTS

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(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

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LOUISIANA

ASCENSION PARISH CLERK OF COURT

JUNE 30, 1999

FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT

Honorable Kermit A. Bourque
Ascension Parish Clerk of Court
Donaldsonville, Louisiana

We have audited the accompanying general purpose financial statements of the Ascension Parish Clerk of Court, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Ascension Parish Clerk of Court'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 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ascension Parish Clerk of Court, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 1999 on our consideration of the Ascension Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The year 2000 supplementary information on page 12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Ascension Parish Clerk of Court is or will become year 2000 compliant, that the Ascension Parish Clerk of Court's year 2000 remediation efforts will be successful in whole or part, or that parties with which the Clerk does business are or will become year 2000 compliant.

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 10, 1999



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

Honorable Kermit A. Bourque
Ascension Parish Clerk of Court
Donaldsonville, Louisiana

We have audited the general purpose financial statements of Ascension Parish Clerk of Court as of and for the year ended June 30, 1999, and have issued our report thereon dated December 10, 1999. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ascension Parish Clerk of Court's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit 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 under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ascension Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting and its operation that we consider to be material weakness.

This report is intended solely for the information and use of the Clerk, management, others within the organization, and Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Parthiv Patel & Mettewell

Donaldsonville, Louisiana
December 10, 1999



ASCENSION PARISH CLERK OF COURT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	Governmental	Fiduciary	Account Groups		Totals
	Fund Type	Fund Type	General	General	(Memorandum
	General	Agency	Fixed	Long-Term	Only)
	Fund	Fund	Assets	Debt	
ASSETS					
Cash	\$ 708,640	\$ 586,015	\$ -	\$ -	\$ 1,294,655
Certificates of deposit	949,537	900,000	-	-	1,849,537
Accounts receivable	56,592	-	-	-	56,592
Accrued Interest	-	49,500	-	-	49,500
Due from other funds	49,500	-	-	-	49,500
Equipment and furniture	-	-	834,804	-	834,804
Amount to be provided for compensated absences	-	-	-	36,259	36,259
Total Assets	\$ 1,764,269	\$ 1,535,515	\$ 834,804	\$ 36,259	\$ 4,170,847
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 18,667	\$ -	\$ -	\$ -	\$ 18,667
Due to other funds	-	49,500	-	-	49,500
Compensated absences	-	-	-	36,259	36,259
Unsettled deposits	-	1,486,015	-	-	1,486,015
Total Liabilities	18,667	1,535,515	-	36,259	1,590,441
Fund Equity					
Investment in general fixed assets	-	-	834,834	-	834,834
Fund balance:					
Unreserved, undesignated	1,745,602	-	-	-	1,745,602
Total Fund Equity	1,745,602	-	834,834	-	2,580,436
Total Liabilities and Fund Equity	\$ 1,764,269	\$ 1,535,515	\$ 834,834	\$ 36,259	\$ 4,170,877

The accompanying notes are an integral part of this financial statement.



ASCENSION PARISH CLERK OF COURT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Certified copies	\$ 245,306	\$ 249,952	\$ 4,646
Criminal fees	123,787	129,445	5,658
Recording	639,000	651,545	12,545
Suits	850,304	770,359	(79,945)
Miscellaneous	236,720	127,191	(109,529)
Interest	88,770	124,444	35,674
	<u>2,183,887</u>	<u>2,052,936</u>	<u>(130,951)</u>
<u>EXPENDITURES</u>			
Current:			
Personal services and benefits	1,187,670	1,189,699	(2,029)
Operating	327,431	309,419	18,012
Capital outlay	419,710	421,678	(1,968)
	<u>1,934,811</u>	<u>1,920,796</u>	<u>14,015</u>
Excess of Revenues over Expenditures	249,076	132,140	(116,936)
Fund Balance, July 1, 1998	<u>1,613,462</u>	<u>1,613,462</u>	<u>-</u>
Fund Balance, June 30, 1999	<u>\$ 1,862,538</u>	<u>\$ 1,745,602</u>	<u>\$ (116,936)</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Clerk is considered a primary government, since it is a special purpose government that has a separately elected governing official, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Clerk may, without the approval or consent of another governmental entity, determine or modify its own budget, and set rates or charges. The Clerk also has no component units.

B. Fund Accounting

The accounts of the Clerk are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and one broad fund category as follows:

General Fund - The General Fund is the general operating fund of the Clerk. It is used to account for all financial resources except those required to be accounted for in other funds.

Fiduciary Funds - Agency Funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The governmental and agency funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.



ASCENSION PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

C. Fixed Assets and Long-Term Liabilities (continued)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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 modified accrual basis of accounting is used by the governmental fund type and agency funds. 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 be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are court cost, interest revenue and charges for services.



ASCENSION PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 15, the Clerk completes and submits for public inspection an operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing those expenditures.
2. Formal budgetary integration is employed as a management control device during the year for the General Fund.
3. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. Budgeted amounts are as originally adopted, or as amended by the Clerk. Individual amendments were not material in relation to the original appropriations, which were amended.
5. All annual appropriations lapse at fiscal year end.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

G. Accumulated Unpaid Vacation and Sick Pay.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

H. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.



ASCENSION PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS

2. Changes in General Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Furniture and equipment	\$ 325,985	\$ 113,963	\$ 82,272	\$ 357,676
Automobile	18,731	18,819	18,731	18,819
Building improvements	150,594	307,715	-	458,309
Totals	<u>\$ 495,310</u>	<u>\$ 440,500</u>	<u>\$ 107,003</u>	<u>\$ 834,908</u>

3. Cash

Cash includes amounts in demand deposits, interest-bearing demand deposits and investments in the Louisiana Asset Management Pool, Inc. (LAMP). Under state law, the clerk of court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States and LAMP.

The carrying amount of the Clerk's deposits at June 30, 1999 was \$2,639,286 and the bank balance was \$2,675,550. Of the bank balances, \$400,000 was covered by federal depository insurance, \$2,275,550 was covered by collateral held by the pledging bank's agent in the Clerk's name.

The Clerk also had invested \$504,000 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP as of June 30, 1999 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer and representatives from various organizations of local government who are investors in LAMP.

4. Defined Benefits Pension Plan

Plan Description

Substantially all employees of the Ascension 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.



ASCENSION PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS

4. Defined Benefits Pension Plan (continued)

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% of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Ascension Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.00% of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Ascension Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Ascension Parish Clerk of Court's contributions to the System for the years ending June 30, 1999, 1998 and 1997 were \$92,691, \$87,221 and \$87,870, respectively, equal to the required contributions for each year.

5. Excess Fund Balance

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. At June 30, 1999, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount what will be due, if any, can be made at this time.

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

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



ASCENSION PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS

7. Post-Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits described in Note 4, the Clerk, in accordance with state statutes, provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the employees become eligible for these benefits if they reach normal retirement age while working for the Clerk. The insurance premiums are paid jointly by the retired employee and the Clerk. In year ended June 30, 1999 the Clerk paid approximately 50% of the insurance premiums for retired employees. The Clerk recognizes the cost of providing these benefits (the Clerk's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. For the year ended June 30, 1999, those costs totaled approximately \$3,000 for three retirees.

8. Contingent Liabilities

At June 30, 1999, the Clerk is involved in a lawsuit. At this time, legal counsel for the Clerk does not anticipate any unfavorable outcome from the lawsuit.

9. Risk Management

The Clerk 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 purchased a commercial insurance policy to satisfy claims related to general liability, automobile liability, property and casualty, employee health and accident, and errors and omissions.



ASCENSION PARISH CLERK OF COURT

YEAR 2000

The Year 2000 Issue consists of two shortcomings that make computer processing systems unable to read year-date data beyond the year 1999. The first shortcoming is many computer programs contain abbreviated dates which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000 as January 1, 1900 and process data incorrectly or stop processing altogether. The second shortcoming is some computers will be unable to detect the year 2000 is a leap year and may not register the additional day and data calculations may be incorrect.

The Clerk uses computer programs to process civil suits, filing and recording fees, criminal dockets and trial dates, traffic tickets and trial dates, jury selection and financial management. The Clerk's computer system programmer has indicated that all of its computer programs and hardware are Year 2000 compliant.



ASCENSION PARISH CLERK OF COURT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 1999

SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unqualified opinion on the financial statements of Ascension Parish Clerk of Court.
2. No reportable conditions relating to the audit of the financial statements are reported in the report on compliance and internal control.
3. No instances of noncompliance material to the financial statements of Ascension Parish Clerk of Court were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

COMPLIANCE

None



ASCENSION PARISH CLERK OF COURT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 1999

A. **FINDINGS – FINANCIAL STATEMENT AUDIT**

Finding 1998-2

Condition: The Clerk's deposits were undersecured by \$100,000 in accordance with LRS:39:1221.

Current Status: No similar findings were noted in the 1999 audit.

