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**IBERVILLE PARISH CLERK OF COURT
PLAQUEMINE, LOUISIANA**

ANNUAL FINANCIAL REPORT

JUNE 30, 1999

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.

Release Date 1-12-2000

**IBERVILLE PARISH CLERK OF COURT
ANNUAL FINANCIAL REPORT
JUNE 30, 1999
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HFB

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Margaret A. Pritchard, CPA
Terrell D. Martin, CPA

To the Honorable J.G. "Bubbie" Dupont, Jr.
Iberville Parish Clerk of Court
Plaquemine, Louisiana

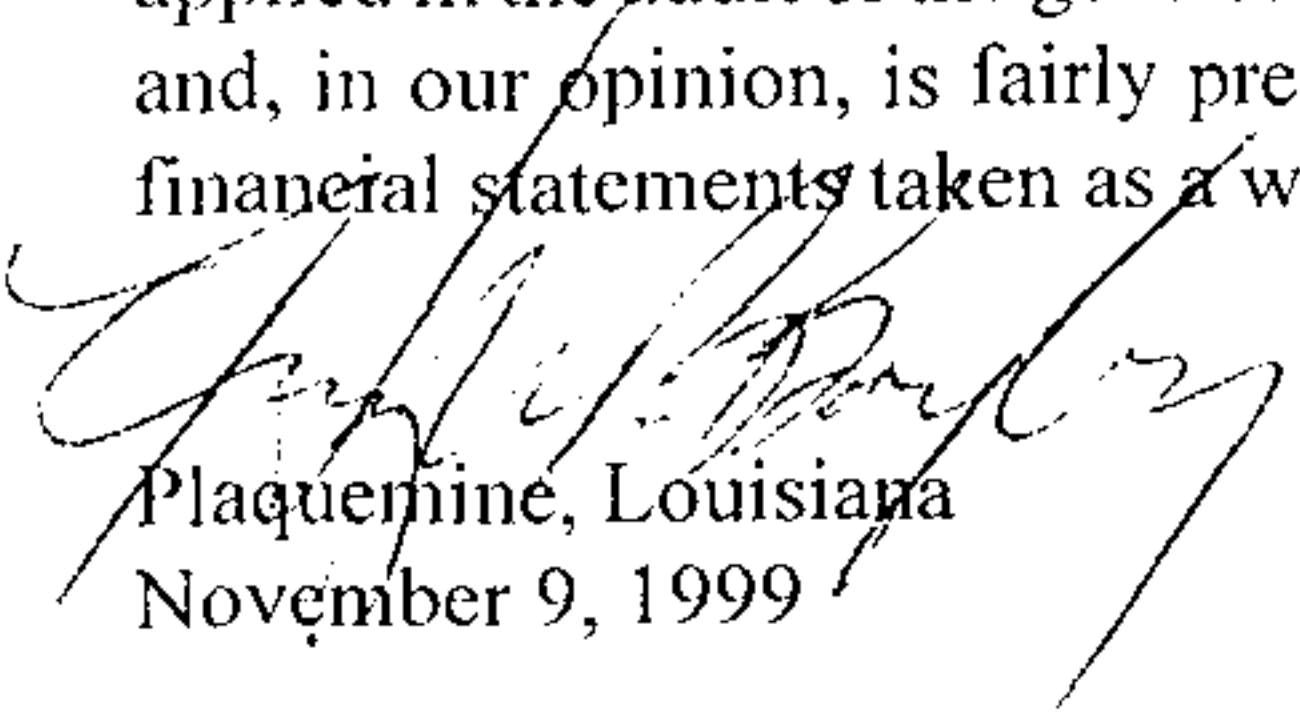
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying general purpose financial statements of the Iberville Parish Clerk of Court as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Iberville 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. 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. 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Iberville 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying additional information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Iberville Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements of the Iberville Parish Clerk of Court, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Plaquemine, Louisiana
November 9, 1999



HUGH F. BAXLEY, CPA
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To the Honorable J.G. "Bubbie" Dupont, Jr.
Iberville Parish Clerk of Court
Plaquemine, Louisiana

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

We have audited the general purpose financial statements of Iberville Parish Clerk of Court as of and for the year ended June 30, 1999, and have issued our report thereon dated November 9, 1999. 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 Iberville 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, regulation, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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*. We noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated November 9, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Iberville 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. 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 Iberville Parish Clerk of Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

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

RECONCILIATION OF DOCKET BALANCES TO CASH

Condition

A reconciliation of the individual docket balances to the cash balance of the Advance Deposit Fund has not been prepared.

Criteria

The clerk, in his fiduciary capacity, accepts funds on behalf of the court in connection with varied legal actions. These monies are held within the Advance Deposit Fund until there is some court or other action making it appropriate for the clerk to disburse the funds. The clerk, in his agency capacity, has a responsibility to reconcile and identify individual balances within the fund to the cash balance.

Effect

The lack of this reconciliation increases the risk that individual balances may be misstated and that the transactions that are based on the individual balances could be in error.

Recommendation

The clerk should reconcile the individual docket balances with the cash balance of the Advance Deposit Fund on a monthly basis to ensure the individual balances are accurate.

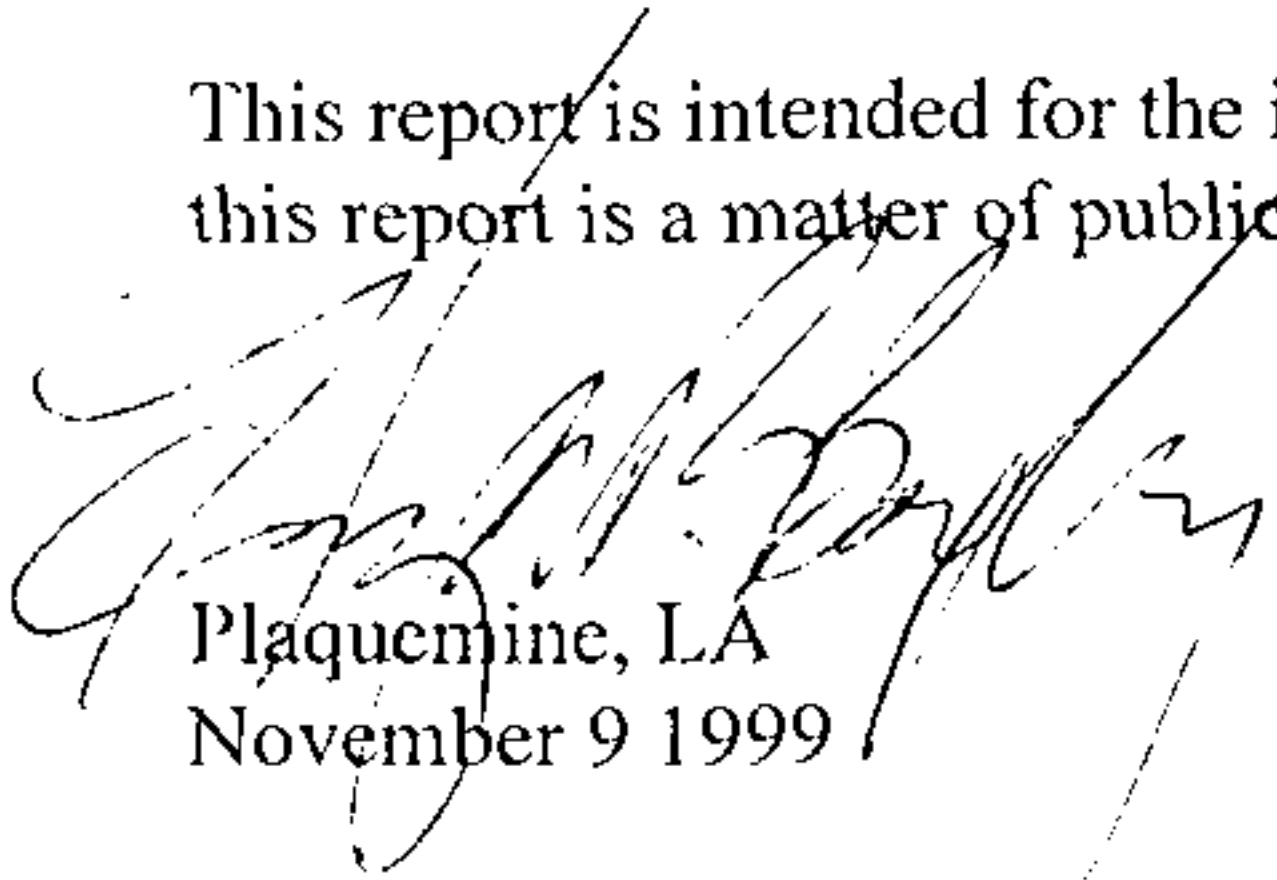
Management's Response

The clerk of court informed us that he will continue to work to reconcile the Advance Deposit Fund and, with additional training of his staff responsible for the Advance Deposit Fund, will make every effort to achieve the reconciliation.

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. 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 weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

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



Plaquemine, LA
November 9 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

EXHIBIT A

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

	Governmental Fund Type - General Fund (Salary)	Fiduciary Fund Type- Agency	Account Group General Fixed Assets	Total (Memorandum Only)
ASSETS				
Cash and cash equivalents	\$192,346	\$1,444,029	\$ -	\$1,636,375
Investment at cost	215,059	1,101,388	-	1,316,447
Accounts receivable (net of allowances for uncollectibles of zero)	25,319	-	-	25,319
Due from Advance Deposit Fund	20,447	-	-	20,447
Office equipment	-	-	38,009	38,009
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$453,171</u>	<u>\$2,545,417</u>	<u>\$38,009</u>	<u>\$3,036,597</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$8,239	\$ -	\$ -	\$8,239
Due to other funds	-	20,447	-	20,447
Unsettled deposits - due to others	-	2,524,970	-	2,524,970
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>8,239</u>	<u>2,545,417</u>	<u>-</u>	<u>2,553,656</u>
 Fund equity:				
Investment in general fixed assets	-	-	38,009	38,009
Fund balance-unreserved-undesignated	444,932	-	-	444,932
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>444,932</u>	<u>-</u>	<u>38,009</u>	<u>482,941</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$453,171</u>	<u>\$2,545,417</u>	<u>\$38,009</u>	<u>\$3,036,597</u>

The accompanying notes are an integral part of this statement.

**IBERVILLE PARISH CLERK OF COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE-GENERAL FUND (SALARY)
YEAR ENDED JUNE 30, 1999**

	<u>General Fund</u>
REVENUES	
Licenses and permits	\$6,300
Fees, charges and commissions for services:	
Court costs, fees, and charges	441,309
Fees for recording documents	138,275
Fees for certified copies of documents	36,735
Miscellaneous services	183,612
Use of money and property - interest earnings	5,645
Miscellaneous	65,968
TOTAL REVENUES	<u>877,844</u>
EXPENDITURES	
General Government:	
Personal services and related benefits	502,190
Operating services	66,876
Materials and supplies	84,993
Travel and other charges	34,177
Capital outlay	38,009
TOTAL EXPENDITURES	<u>726,245</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>151,599</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>151,599</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>293,333</u>
FUND BALANCE AT END OF YEAR	<u><u>\$444,932</u></u>

The accompanying notes are an integral part of this statement.

**IBERVILLE PARISH CLERK OF COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL-
GOVERNMENTAL FUND TYPE-GENERAL FUND (SALARY)
YEAR ENDED JUNE 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Licenses and permits	\$6,000	\$6,300	\$300
Fees, charges and commissions for services:			
Court costs, fees, and charges	381,500	441,309	59,809
Fees for recording documents	140,000	138,275	(1,725)
Fees for certified copies of documents	33,000	36,735	3,735
Miscellaneous services	179,800	183,612	3,812
Use of money and property - interest earnings	2,500	5,645	3,145
Miscellaneous	69,700	65,968	(3,732)
TOTAL REVENUES	<u>812,500</u>	<u>877,844</u>	<u>65,344</u>
EXPENDITURES			
General Government:			
Personal services and related benefits	518,600	502,190	16,410
Operating services	107,000	66,876	40,124
Materials and supplies	110,000	84,993	25,007
Travel and other charges	34,700	34,177	523
Capital outlay	-	38,009	(38,009)
TOTAL EXPENDITURES	<u>770,300</u>	<u>726,245</u>	<u>44,055</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>42,200</u>	<u>151,599</u>	<u>109,399</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>42,200</u>	<u>151,599</u>	<u>109,399</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>293,333</u>	<u>293,333</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$335,533</u>	<u>\$444,932</u>	<u>\$109,399</u>

The accompanying notes are an integral part of this statement.

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999**

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying financial statements of the Iberville Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Clerk of Court includes all funds, account groups, activities, etc., that are controlled by the Clerk of Court as an independently elected parish official. 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. Other than certain operating expenditures of the Clerk's office that are paid or provided by the parish council as required by Louisiana law, the Clerk of Court is financially independent. Accordingly, the Clerk of Court is a separate governmental reporting entity. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Clerk of Court.

3. 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.

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 operating expenditures are paid from this fund.

Agency Funds

The Advance Deposit and Registry of Court Agency 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.

4. 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 revenues and expenditures:

Revenues

Recordings, cancellations, court attendance, criminal costs, etc., are recorded in the year they are earned.

Interest income on certificates is recorded when the certificates have matured and the income is available.

Substantially all other revenues are recorded when received.

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures

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

5. Budget Practices

The proposed original budget and the proposed amended budget for the 1999 fiscal year were made available for public inspection at the Clerk's office on June 2, 1998 and May 24, 1999, respectively. The proposed budgets, prepared on the accrual basis of accounting, were published in the official journal at least ten days prior to the public hearing. The budget hearings for the original and the amended budgets were held at the Clerk's office on June 15, 1998 and June 1, 1999, respectively. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

6. Encumbrances

The Clerk does not formally account for encumbrances.

7. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Inventory

The Iberville Parish Clerk of Court does not have an inventory.

9. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. Fixed assets are stated at historical cost. No depreciation has been provided on general fixed assets. General fixed assets provided by the parish council are not recorded within the general fixed assets account group.

Total fixed assets, 6/30/98	\$ -
Additions, year ended 6/30/99	<u>38,009</u>
Total fixed assets, 6/30/99	<u>\$ 38,009</u>

10. Compensated Absences

The Clerk of Court has the following policy relating to vacation and sick leave:

- a. After one year of employment, employees are given one week vacation.
- b. After two years of employment, employees are given two weeks vacation.
- c. All employees are given eight authorized time off days per year for sickness, funeral, etc.
- d. Leave must be used in the year earned. Employees who terminate are paid for accumulated vacation leave.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. At June 30, 1999, employees, of the Clerk of Court had no material accumulated and vested leave privileges required to be accrued.

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Long-Term Obligations

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligation account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due. At June 30, 1999, there were no long-term obligations.

12. Fund Equity

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

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

13. 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.

NOTE B - CASH AND CASH EQUIVALENTS

At June 30, 1999, the Clerk of Court has cash and cash equivalents (book balances) totaling \$1,636,375, as follows:

Cash on hand	\$38,429
Interest bearing demand deposits	<u>1,597,946</u>
TOTAL	<u>\$1,636,375</u>

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE B - CASH AND CASH EQUIVALENTS (CONTINUED)

The 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 in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Clerk had \$1,681,261 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,762,756 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

NOTE C - INVESTMENTS

At June 30, 1999, the Clerk held investments totaling \$1,316,447.

Maturity Date	Interest Rate	Carrying Amount	Market Value
10/28/99	4.75%	\$50,000	\$50,000
07/15/99	6.30%	50,000	50,000
07/25/99	4.50%	50,000	50,000
09/25/99	4.00%	102,244	102,244
10/04/99	5.00%	50,000	50,000
10/17/99	3.85%	50,000	50,000
12/08/99	4.00%	12,815	12,815
12/18/99	5.50%	100,000	100,000
12/25/99	4.65%	100,000	100,000
01/14/00	4.20%	100,000	100,000
02/23/00	4.20%	101,388	101,388
05/22/00	4.20%	50,000	50,000
07/31/00	5.75%	50,000	50,000
08/11/00	5.27%	100,000	100,000
08/14/00	5.65%	25,000	25,000
09/09/00	5.25%	75,000	75,000
08/20/01	5.60%	50,000	50,000
09/17/01	5.85%	100,000	100,000
06/29/02	5.75%	100,000	100,000
	TOTAL	\$1,316,447	\$1,316,447

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE C - INVESTMENTS (CONTINUED)

These investments are stated on the balance sheet (carrying value) at cost. The investments are secured from risk by \$775,000 of federal deposit insurance and \$1,235,693 of pledged securities held by the custodial bank in the name of the fiscal agent bank. In applying the credit risk of GASB Codification Section 150.164, \$775,000 of the investments are considered insured and registered, category (1), and \$541,447 of the investments are considered uninsured and unregistered, category (3).

Even though the pledged securities are considered uninsured and unregistered (Category 3) under the provisions of GASB codification Section 150.164, 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.

NOTE D - RECEIVABLES

The receivables of \$25,319 at June 30, 1999 are as follows:

Class of Receivable	General Fund
Accounts	\$25,319
Miscellaneous	-
TOTAL	\$25,319

NOTE E - PENSION PLAN

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary. 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.

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE E - PENSION PLAN (CONTINUED)

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 Clerk of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Iberville Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is ten percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Iberville Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 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 Iberville Parish Clerk of Court's contributions to the System for the years ending June 30, 1999, 1998 and 1997 were \$35,084, \$33,956 and \$29,804, respectively, equal to the required contributions for each year.

Effective July 1, 1999, R.S. 11:1562(C) allows the Clerk to pay all or any portion of the 8.25 percent employee contribution. The Iberville Parish Clerk of Court has elected to pay all of the employee contributions for the fiscal year ending June 30, 2000.

NOTE F - OTHER POST-EMPLOYMENT BENEFITS

The Iberville Parish 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 these 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 amounted to \$3,870 for 1999 for three retirees.

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE G - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency Funds:				
Advance Deposit	\$1,024,639	\$928,755	\$765,032	\$1,188,362
Registry of Court	279,291	27,880,726	26,823,409	1,336,608
TOTAL	<u>\$1,303,930</u>	<u>\$28,809,481</u>	<u>\$27,588,441</u>	<u>\$2,524,970</u>

NOTE H - 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 balance that exceeds one-half 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 that will be due, if any, can be made at this time.

NOTE I - EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL

Certain operating expenditures of the Clerk's office are paid by the parish council and are not included in the accompanying financial statements. These expenditures are summarized as follows:

Equipment rentals	\$ 6,289
Capital outlay	41,412
Maintenance contract	4,051
Office supplies	<u>32,617</u>
TOTAL	<u>\$ 84,369</u>

**IBERVILLE PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS**

NOTE J - LEASES

The clerk of court is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the clerk's account groups.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 1999:

Year Ending <u>June 30</u>	<u>Amounts</u>
2000	\$ 7,318
2001	2,597
2002	1,016
2003	<u>1,016</u>
Total Minimum Payments Required	<u>\$11,947</u>

The following schedule shows the composition of total rental expenditures for all operating leases except those with terms of a month or less that were not renewed:

	Year Ending <u>June 30, 1999</u>
Minimum Rentals	<u>\$ 11,512</u>
Total Rentals	<u>\$ 15,847</u>

NOTE K - YEAR 2000 ISSUES

At June 30, 1999, the Iberville Parish Clerk of Court's computer systems, as it relates to year 2000 compliance, are in the remediation stage. Their main computer system was upgraded during 1998 at a cost of \$21,563. The vendor has assured the Clerk of the system's Year 2000 readiness as provided by the Year 2000 Information and Readiness Disclosure Act of 1998. Certain accounting records have been maintained on a manual accounting system. The Clerk plans to convert these records to a PC based accounting system as of January 1, 2000. This software is an "off the shelf" program and is being sold as being fully Year 2000 compliant. The estimated cost of this program is \$500.

ADDITIONAL INFORMATION

**IBERVILLE PARISH CLERK OF COURT
ADDITIONAL INFORMATION SCHEDULES
JUNE 30, 1999**

FIDUCIARY FUND TYPE - AGENCY FUNDS

Advance Deposit Fund

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

Registry of Court Fund

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts 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.

SCHEDULE 1

**IBERVILLE PARISH CLERK OF COURT
FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$107,421	\$1,336,608	\$1,444,029
Investments, at cost	<u>1,101,388</u>	<u>-</u>	<u>1,101,388</u>
TOTAL ASSETS	<u>\$1,208,809</u>	<u>\$1,336,608</u>	<u>\$2,545,417</u>
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Due to General Fund	\$20,447	\$ -	\$20,447
Unsettled deposits - due to others	<u>1,188,362</u>	<u>1,336,608</u>	<u>2,524,970</u>
TOTAL LIABILITIES	<u>\$1,208,809</u>	<u>\$1,336,608</u>	<u>\$2,545,417</u>

SCHEDULE 2

**IBERVILLE PARISH CLERK OF COURT
FIDUCIARY FUND TYPE - AGENCY FUNDS
SCHEDULE OF CHANGES IN UNSETTLED DEPOSITS
YEAR ENDED JUNE 30, 1999**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	<u>\$1,024,639</u>	<u>\$279,291</u>	<u>\$1,303,930</u>
ADDITIONS			
Deposits:			
Suits and successions	874,308	-	874,308
Judgments	-	27,874,398	27,874,398
Interest earned	<u>54,447</u>	<u>6,328</u>	<u>60,775</u>
TOTAL ADDITIONS	<u>928,755</u>	<u>27,880,726</u>	<u>28,809,481</u>
TOTAL	<u>1,953,394</u>	<u>28,160,017</u>	<u>30,113,411</u>
REDUCTIONS			
Clerk's costs (transferred to General Fund)	477,777	-	477,777
Settlements to litigants	-	26,814,899	26,814,899
Attorney, curators and notarial fees	93,930	-	93,930
Interest to litigants	-	8,510	8,510
Sheriff's fees	85,750	-	85,750
Other reductions	<u>107,575</u>	<u>-</u>	<u>107,575</u>
TOTAL REDUCTIONS	<u>765,032</u>	<u>26,823,409</u>	<u>27,588,441</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u>\$1,188,362</u>	<u>\$1,336,608</u>	<u>\$2,524,970</u>

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, CPA
Terrell D. Martin, CPA

To the Honorable J. G. "Bubbie" Dupont, Jr
Iberville Parish Clerk of Court
Plaquemine, Louisiana

In connection with our audit of the general purpose financial statements of the Iberville Clerk of Court as of June 30, 1999, we observed opportunities for improvement in your accounting procedures and internal controls. We did not perform a detailed system survey; however, we are able to comment on those practices which we observed during the course of our audit. These suggestions are offered as assistance for improving the Clerk's accounting procedures, and no criticism is intended of any department or individual.

General Ledger: The general ledger of the Salary Fund was not in balance. This was primarily due to the recording of the employer's portion of the FICA payroll tax. The current practice is to record a one sided journal entry to the liability account. A corresponding debit entry should be recorded to payroll tax expense equal to the liability recorded. This problem will be corrected by the implementation of the accounting software recently acquired.

Cash Disbursements:

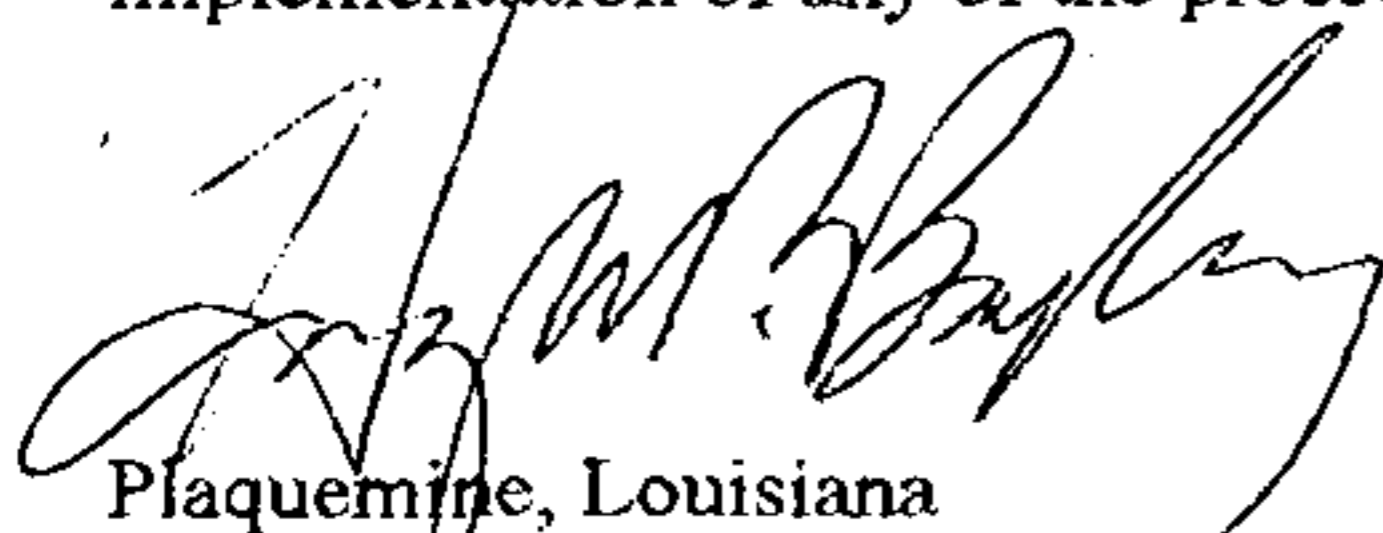
- a) Certain cash disbursements from the Salary Fund were supported only by a monthly statement. All cash disbursements should be supported by invoices. The monthly statement can be used as way of reconciling charges prior to payment, but the original invoice should be attached to the statement. Also, where the relationship of the expense to the operation of the Clerk's office is not clear from the invoice, notations should be made indicating the purpose of the expenditure. These procedures will ensure that all cash disbursements are for the operation of the Clerk of Court's office.
- b) Checks issued from the Advance Cost Fund have had the original payee struck through and a new payee typed on the check. The correction to a payee must be made, the original check must be voided and a new check issued. Checks must be properly protected, either by computer printing or by the use of a check protection machine for manually prepared checks. Checks should never be altered in any way.
- c) When checks from the Advance Cost Fund are voided, the reissued check is assigned the same check number as the voided check. The check number printed by the computer on the check and in the cash disbursement records does not match the preprinted check number on the check. The use of preprinted check numbers is a control mechanism over cash disbursements. By not using this control, there is a risk that the loss or theft of checks will not be detected. When a check is voided, that check number should be recorded as voided in the cash disbursement journal. The reissued check should be assigned the preprinted check number.

The Honorable J. G. "Bubbie" Dupont, Jr.

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d) We observed two very old outstanding checks on the bank reconciliation of the Salary Fund. These checks should be included in the next unclaimed property report filed with the Louisiana Department of Revenue. Your office files this report annually for unclaimed property of the Advance Cost and Registry of Court Funds. A review should be made of the Salary Fund each year to determine if any unclaimed property also exists in that fund.

We express our thanks for the courtesies and cooperation extended us during our audit. We would be pleased to discuss any of the items in this letter with you and to assist you in the formulation or implementation of any of the procedures mentioned above.



Plaquemine, Louisiana
November 9, 1999

Clerk of Court-Iberville Parish



J.G. "BUBBIE" DUFONT JR.

CLERK OF COURT
P.O. BOX 428
PLAQUEMINE, LOUISIANA 70764

PHONE (225) 687-5160/5181
800-273-2627
FAX: (225) 687-5260

January 4, 2000

Hugh F. Baxley, CPA, APAC
P.O. Box 482
Plaquemine, LA 70765

Dear Mr. Baxley:

In response to your letter dated November 9, 1999, we are advising you of the changes in our procedures to comply with your recommendations. These changes are as follows:

General Ledger: At June 30, 1999 our general ledger was not in balance. This was primarily due to the improper recording of payroll tax transactions. Our office has acquired Peachtree Complete Accounting to be used as the accounting system for our Salary Fund. We converted to this system on January 1, 2000. This computerized accounting system will ensure that all transactions are recorded correctly and our general ledger will be in balance.

Cash Disbursements:

a) We paid some expenses from a monthly statement without the original invoice. Since this was brought to our attention during your audit, we have been requiring invoices as support for payments. The invoices are attached to monthly statements where a total payment is made using a monthly statement. Please note that prior to this change, all payments were verified by either the Clerk or the Chief Deputy Clerk prior to the issuance of the check.

b) The payees on some checks issued from our Advance Cost Fund have been changed prior to being issued by our office. We will no longer correct payees on checks. We will void and reissue checks when a change is required.

c) When we physically void a check, the check number of that check is reassigned to the replacement check. We will change this practice to assign check numbers that match the preprinted check number.

Hugh F. Baxley, CPA, APAC
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d) We have carried two old checks from our Salary Fund as outstanding for several years. We included these checks in our November 1999 Unclaimed Property Report. We will review all funds when filing future Unclaimed Property Reports.

We trust that these changes will satisfy the recommendations made by you in your letter of November 9, 1999. If you have any questions, please call me at 687-5160.

Yours truly,



J.G. "Bubbie" Dupont, Jr.