

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996

	<u>GOVERNMENTAL FUND TYPE GENERAL</u>	<u>FIDUCIARY FUND TYPE AGENCY</u>	<u>ACCOUNT GROUP GENERAL FIXED ASSETS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<u>ASSETS</u>				
CASH	\$91,202	\$1,046,015	-0-	\$1,137,217
ACCOUNTS RECEIVABLE	7,375	-0-	-0-	7,375
DUE FROM OTHER GOVERNMENTS	2,890	-0-	-0-	2,890
DUE FROM OTHER FUNDS	-0-	46,946	-0-	46,946
EQUIPMENT	-0-	-0-	\$121,561	121,561
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	101,467	1,092,961	121,561	1,315,989
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES:</u>				
ACCOUNTS PAYABLE	-0-	-0-	-0-	-0-
EMPLOYEE WITHHOLDING	-0-	-0-	-0-	-0-
DUE TO OTHER GOVERNMENTS	\$4,360	-0-	-0-	\$4,360
DUE TO OTHER FUNDS	46,946	-0-	-0-	46,946
UNSETTLED DEPOSITS	-0-	1,092,961	-0-	1,092,961
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	51,306	1,092,961	-0-	1,144,267
	<hr/>	<hr/>	<hr/>	<hr/>
<u>FUND EQUITY:</u>				
INVESTMENT IN GENERAL FIXED ASSETS	-0-	-0-	\$121,561	121,561
FUND BALANCE UNRESERVED-UNDESIGNATED	50,161	-0-	-0-	50,161
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	50,161	-0-	121,561	171,722
	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	101,467	1,092,961	121,561	1,315,989
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

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

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design of operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the General Purpose financial statements.

See Schedule of Prior and Current Year's Findings'

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relative 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described in the Schedule of Findings is a material weakness.

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

Respectfully submitted,

Arnold C. Hewille

Donald C. DeVille

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF General Purpose
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

October 18, 1996

Honorable Thomas J. LeBlanc
West Baton Rouge Parish Clerk of Court
Port Allen, Louisiana

I have audited the General Purpose financial statements of the West Baton Rouge Parish Clerk of Court as of and for the year ended June 30, 1996, and have issued my report thereon dated October 18, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether about whether the financial statements are free of material misstatement.

The management of the West Baton Rouge Parish Clerk of Court is responsible for establishing and maintaining a system of internal accounting control. 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 executed in accordance with management's authorization and recorded properly to permit the preparation of 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.

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

October 18, 1996

Honorable Thomas J. LeBlanc
West Baton Rouge Parish Clerk of Court
Port Allen, Louisiana

I have audited the General Purpose financial statements of the West Baton Rouge Parish Clerk of Court as of and for the year ended June 30, 1996, and have issued my report thereon dated October 18, 1996.

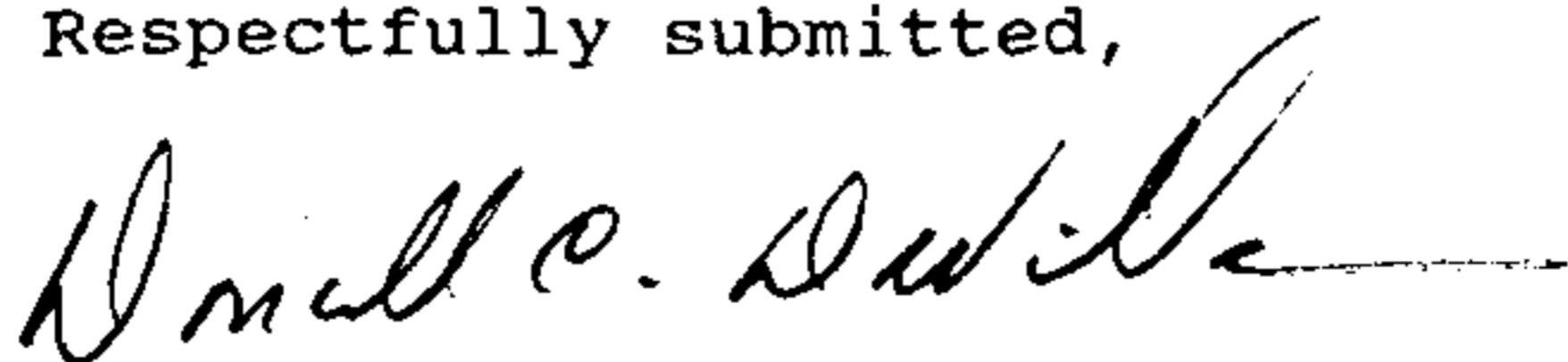
I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the U.S. General Accounting Office. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of my tests disclosed no instances of noncompliance that are to reported under Government Auditing Standards.

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

Respectfully submitted,



WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
TRUST AND AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN UNSETTLED DEPOSITS
FISCAL YEAR ENDED JUNE 30, 1996

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
<u>UNSETTLED DEPOSITS, JULY 1</u>	<u>\$707,633</u>	<u>\$355,114</u>	<u>\$1,062,747</u>
<u>ADDITIONS</u>			
SUITS AND SUCCESSIONS	341,631	248,125	589,756
INTEREST	7,525	6,594	14,119
	<u>349,156</u>	<u>254,719</u>	<u>603,875</u>
TOTAL ADDITIONS			
	<u>1,056,789</u>	<u>609,833</u>	<u>1,666,622</u>
TOTAL AVAILABLE			
<u>DEDUCTIONS</u>			
TRANSFER TO SALARY FUND	181,293	-0-	181,293
REFUNDS TO ATTORNEYS	15,541	-0-	15,541
REFUNDS TO WBR SHERIFF	15,747	-0-	15,747
REFUNDS TO OTHERS	26,978	-0-	26,978
JUDICIAL COURT FUND	18,964	-0-	18,964
SECRETARY OF STATE	3,859	-0-	3,859
COMMISSIONER OF INSURANCE	175	-0-	175
WITNESS AND JURORS FEES	480	-0-	480
COURT REPORTER	350	-0-	350
OFFICE EXPENSE	130	-0-	130
SUITS SETTLED	-0-	310,144	310,144
	<u>263,517</u>	<u>310,144</u>	<u>573,661</u>
TOTAL DEDUCTIONS			
<u>UNSETTLED DEPOSITS, JUNE 30</u>	<u>793,272</u>	<u>299,689</u>	<u>1,092,961</u>

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
ASSETS			
<u>CURRENT ASSETS</u>			
CASH	\$746,326	\$299,689	\$1,046,015
DUE FROM SALARY FUND	46,946	-0-	46,946
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	793,272	299,689	1,092,961
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES			
<u>CURRENT LIABILITIES</u>			
UNSETTLED DEPOSITS	\$793,272	\$299,689	\$1,092,961
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	793,272	299,689	1,092,961
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
TRUST AND AGENCY FUNDS
FISCAL YEAR ENDED JUNE 30, 1996

Trust and Agency Funds account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, and others.

Advance Deposit Fund - The Advance Deposit Fund, as provided by Louisiana Revised Statutes 13:842, accounts for advance deposits on 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.

The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

SUPPLEMENTAL INFORMATION

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

NOTE 6 - POST-RETIREMENT BENEFITS

The Clerk of Court provides certain continuing health care benefits for its retired employees. Substantially all of the Clerk of Court's employees become eligible for those benefits if they reach normal retirement age while working for the Clerk of Court. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and by the Clerk of Court. The Clerk of Court recognizes the cost of providing retiree health care and life insurance benefits (Clerk of Court's portion of premiums) as an expenditure when paid, which was \$1,386 for the year ended June 30, 1996. Using mortality tables related to single life annuities, the estimated cost to the Clerk of Court over the remaining lives of these retired employees is \$22,077.

NOTE 7 - LEASES

The Clerk of Court has immaterial copier leases and does not record items under capital leases as assets and obligations in the accompanying financial statements.

NOTE 8 - LITIGATION AND CLAIMS

The Clerk of Court has represented to me there is no litigation pending against the Clerk's office, as of June 30, 1996, nor is the Clerk aware of any unasserted claims. Furthermore, the Clerk believes that any potential lawsuit would be adequately covered by insurance.

NOTE 9 - EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the clerk must pay the parish treasurer the portion of the General Fund's fund balance that exceed one-half of the revenues of the clerk's last year of his term of office. At June 30, 1996, there was \$4,360 due the parish treasurer for the amount that the General Fund's fund balance exceeded one-half of the revenues of the clerk's last year of his four-year term of office.

NOTE 10 - EXPENDITURES OF THE CLERK OF COURT PAID BY THE POLICE JURY

The West Baton Rouge Police Jury provides office space to the clerk and certain operating expenditures of the clerk's office are paid by the parish police jury and are not included in the accompanying financial statements. For the year ended December 31, 1996, the West Baton Rouge Parish Police Jury has budgeted \$17,000 for these expenditures such as: space cost & utilities, office expenses and insurance.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

NOTE 5 - PENSION PLAN AND RETIREMENT COMMITMENTS (Continued):

All full-time employees of the Clerk of Court are members of Plan A. All regular employees earning at least \$500 per month and 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 per cent of their final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after 55 and receive benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established 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 Ave, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish.

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.

Funding Policy

Under Plan A, members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.5 percent of annual covered payroll. As provided by Louisiana Revised Statute, 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. Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish.

The Clerk of Court's contributions to the System under Plan A for the years ended June 30, 1996 and 1995, were \$20,383 and \$16,349, respectively, equal to the required contributions for each year.

The Clerk of Court does not guarantee the benefits granted by the System.

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WEST BATON ROUGE PARISH
CLERK OF COURT
PORT ALLEN, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1996

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 FEB 5 1997

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INDEPENDENT AUDITOR'S REPORT

October 18, 1996

Honorable Thomas J. LeBlanc
Clerk of Court - West Baton Rouge Parish
Port Allen, Louisiana

I have audited the accompanying General Purpose financial statements of the West Baton Rouge Parish Clerk of Court as of June 30, 1996, and for the year then ended. These General Purpose financial statements are the responsibility of the West Baton Rouge Parish Clerk of Court's management. My responsibility is to express an opinion on these General Purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Government Auditing Standards issued by the United States General Accounting Office. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the General Purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the General Purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the General Purpose financial statements referred to above present fairly, in all material respects, the financial position of the West Baton Rouge Parish Clerk of Court as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit were made for the purpose of forming an opinion on the General Purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the General Purpose financial statements of West Baton Rouge Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the General Purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the General Purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated October 18, 1996, on our consideration of West Baton Rouge Clerk of Court's internal control structure and a report dated October 18, 1996, on its compliance with laws and regulations.

Donald C. DeVille

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
PRIOR AND CURRENT YEARS FINDINGS
YEAR ENDED JUNE 30, 1996

DESCRIPTION: Too much funds held in the Clerk's Advance Deposit Fund have been transferred to the Salary Fund.

STATUS: The Clerk is recovering the excess transfers gradually from the Clerks fees earned in the Advance Deposit Fund.

* * *

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
INTERGOVERNMENTAL	\$9,000	\$9,927	\$927
LICENSES	3,000	3,231	231
FEES AND CHARGES	273,000	323,550	50,550
INTEREST INCOME	12,000	11,805	(195)
MISCELLANEOUS	3,000	1,951	(1,049)
	<u>300,000</u>	<u>350,464</u>	<u>50,464</u>
EXPENDITURES			
GENERAL GOVERNMENT			
CURRENT			
SALARIES	190,200	197,094	(6,894)
FRINGE	43,000	38,595	4,405
TRAVEL	1,800	1,183	617
OPERATING SERVICES	41,500	42,269	(769)
OPERATING SUPPLIES	23,000	30,865	(7,865)
OTHER	500	1,632	(1,132)
CAPITAL OUTLAY	-0-	-0-	-0-
	<u>300,000</u>	<u>311,638</u>	<u>(11,638)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-0-</u>	<u>38,826</u>	<u>38,826</u>
FUND BALANCE, BEGINNING OF YEAR		<u>11,335</u>	
FUND BALANCE, END OF YEAR		<u>50,161</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

INTRODUCTION

The Clerk of Court (LSA-RS 13:781) serves as the parish recorder of conveyances, mortgages, notary public, et cetera. Under Article 5, Section 28 of the Louisiana Constitution, the clerks serves a term of office of four years. The clerk may appoint deputies with duties and powers provided by law, with the approval of the district judge. The operations of the clerk's office are funded through fees and costs assessed in court actions. Theses fees are accounted for in the principal operating fund of the clerk, the General Fund (LSA-RS 13:781). The fund is commonly referred to as the "Salary and Expense Fund." All operating revenues are deposited to the fund, and all operating expenses are paid from the fund (except those paid by other governmental units). Expenditures generally include salaries and related benefits, travel, operating services, and materials and supplies. The clerk's salary and allowance is specified by state law. In addition to the General Fund, each clerk maintains certain fiduciary funds to account for court activity, including at a minimum the Advance Deposit Fund and the Registry of the Court Fund. These funds are custodial in nature and are used to account for deposits made with the district court. The population of West Baton Rouge Parish is roughly 19,419 and the Clerk employs about 8 persons.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the West Baton Rouge Parish Police Jury is the reporting entity for the West Baton Rouge Parish. Statement 14, The Reporting Entity, of Governmental Accounting and Financial Reporting Standards (GASB) established criteria for determining which component units should be considered part of the West Baton Rouge Parish Police Jury for financial reporting purposes. The basic, but not the only, criterion for including a potential General Purpose within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

B. Principles Determining Scope of Reporting Entity (Continued)

Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of or appointment of governing boards, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Police Jury and/or its residents or whether the activity is conducted within the geographic boundaries of the Police Jury and is generally available to the citizens of the parish. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Police Jury is able to exercise oversight responsibilities. The following criteria as explained previously were used to determine which components are part of the reporting entity:

1. Oversight responsibility
 - a. Appointment of governing boards
 - b. Designation of management
 - c. Ability to significantly influence operations
 - d. Accountability for fiscal matters
2. Scope of public service
3. Special financing relationships

Even though the clerk of court is independently elected official and is legally separate from the police jury, they are either (1) fiscally dependent on the police jury, (2) exclusion would create misleading or incomplete financial statements, or (3) a combination of both. The clerk is fiscally dependent when the police jury has approval over the clerk's capital budget. The police jury would have approval authority over the clerk's capital budget when office space for the clerk is furnished by the police jury. The other consideration in determining if the clerk is a General Purpose of the police jury is whether it would be misleading to exclude them. The police jury provides substantial financial support and there is a significant relationship between the clerk and the police jury. By using either the fiscal dependency criterion, misleading criterion, or a combination of both, I conclude that the clerk of court is a General Purpose of the West Baton Rouge Police Jury.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

C. FUND ACCOUNTING

The Clerk of Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the Clerk of Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets. Governmental funds include:

General Fund (Salary and Expense Fund) - the general operating fund of the Clerk of Court accounts for all financial resources, except those required to be accounted for in other funds.

Fiduciary Funds

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the Clerk of Court. Fiduciary funds include:

Advance Deposit Funds (LSA-RS 13:842) is used to account for advance deposits in suits filed by litigants.

Registry of Court Fund (LSA-RS 13:475) is used to account for funds held by order of the court until judgment is rendered by the judiciary.

Both of these funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operation.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

D. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheets. Operating statements of these funds represent increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets.

Gross receipts are considered "measurable" when received by the collecting governments and are recognized as revenue at that time.

Recordings, cancellations, court attendance, criminal costs, et cetera, are recorded in the year in which they are earned.

Fees earned from the Advance Deposit funds are recorded in the year they are earned.

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

Substantially all other revenues are recorded when received.

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are recordings, cancellations, court attendance, and criminal costs.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

E. BUDGETS

The Clerk of Court uses the following budget practices:

1. A proposed operating budget for the fiscal year is prepared on the modified accrual basis of accounting by the Clerk of Court. The operating budget includes proposed expenditures and the means of financing them.
2. The proposed budget is made available for public inspection at the Clerk's office.
3. The proposed budget was not published in the official journal.
4. Formal budget integration within the accounting records is employed as a management control device. Budgeted amounts included in the accompanying financial statements are the original budget prepared and adopted by the Clerk of Court.
5. All unencumbered budget appropriations lapse at the end of each fiscal year.

F. ENCUMBRANCES

The Clerk of Court does not follow the encumbrance method of accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits with 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 principal offices in Louisiana.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

I. INVENTORIES

Inventories in the governmental funds are considered immaterial and the expenditures are recognized when the items are purchased.

J. PREPAID ITEMS

Insurance and similar services which extend over more than one accounting period have been recognized as expenditures when paid.

K. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructure is not capitalized. Construction period interest, if any, is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. No costs were estimated as all costs were available.

L. COMPENSATED ABSENCES

Employees of the Clerk of Court's office earn two weeks of vacation leave each year. Vacation leave cannot be accumulated nor carried forward to succeeding years. The Clerk of Court has not adopted a formal policy regarding sick leave. At June 30, 1994, the employees of the Clerk of Court have no accumulated or vested benefits required to be reported in accordance with generally accepted accounting principles.

M. TOTAL COLUMN ON COMBINED STATEMENTS

Total Column on the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 1996, the Clerk of Court had cash and cash equivalents (book balances) totaling \$1,137,217 as follows:

Petty Cash	\$50
Demand Deposits	455,684
Savings Deposits	581,483
Certificate of Deposit	100,000
	<hr/>
Total	1,137,217
	<hr/> <hr/>

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. 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, 1996, the Clerk of Court had \$1,167,304 in deposits (collected bank balances). These deposits are insured from risk by \$200,000 of federal deposit insurance and \$1,019,953 of pledged securities (market value) held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 3 - RECEIVABLES AND PAYABLES

A. A Summary of Receivables as of December 31, 1996, Follows:

<u>CLASS OF RECEIVABLE</u>	<u>GENERAL FUND</u>
Accounts Receivable Customers	\$7,375
	<hr/>
Intergovernmental Sheriff	1,725
Police Jury	1,165
	<hr/>
	2,890
	<hr/>
Total	10,265
	<hr/> <hr/>

Continued:

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 1996

NOTE 3 - RECEIVABLES AND PAYABLES (Continued)

B. Due To/From Other Funds

The following is a summary of Due To/From Other Funds as of June 30, 1996:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Advance Deposit	\$110,055

C. A Summary of Due to Other Governments at Year End Follows:

<u>PAYABLE TO</u>	<u>GENERAL FUND</u>
West Baton Rouge Police Jury	\$4,360

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income.

The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

NOTE 4 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>7/1/95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/96</u>
Equipment	\$121,561	\$-0-	\$-0-	\$121,561

NOTE 5 - PENSION PLAN AND RETIREMENT COMMITMENTS

PLAN DESCRIPTION

Substantially all Clerk of Court employees are members of the Louisiana Clerks of Court Retirement and Relief Fund ("System"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees.

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