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**EAST BATON ROUGE PARISH**  
**CORONER'S OFFICE**  
**EAST BATON ROUGE PARISH, LOUISIANA**

**FINANCIAL REPORT**

**DECEMBER 31, 2003**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8-11-04



EAST BATON ROUGE PARISH  
CORONER'S OFFICE  
EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2003



TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORTS</u>	
Independent Auditors' Report	1
Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	2 - 3
<u>REQUIRED SUPPLEMENTARY INFORMATION – PART I</u>	
Management's Discussion and Analysis	4 - 9
<u>BASIC FINANCIAL STATEMENTS</u>	
Statement of Net Assets	10
Statement of Activities	11
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Notes to Financial Statements	16 - 22
<u>REQUIRED SUPPLEMENTARY INFORMATION – PART II</u>	
Budgetary Comparison Schedule – General Fund	23
<u>SUPPLEMENTAL INFORMATION</u>	
Schedule of Findings and Questioned Costs	24





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**INDEPENDENT AUDITORS' REPORT**

Dr. Louis Cataldie  
East Baton Rouge Parish Coroner  
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the East Baton Rouge Parish Coroner's Office, a component unit of the City-Parish of Baton Rouge, as of and for the year ended December 31, 2003. These basic financial statements are the responsibility of the East Baton Rouge Parish Coroner's Office. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America 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 the 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 financial statements referred to above present fairly, in all material respects, the financial position of the East Baton Rouge Parish Coroner's Office, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 1 through 6 and the Budgetary Comparison schedule on page 24 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 express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2004, on our consideration of the East Baton Rouge Parish Coroner's Office internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

June 15, 2004



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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**

Dr. Louis Cataldie  
East Baton Parish Coroner  
Baton Rouge, Louisiana

We have audited the financial statements of the East Baton Rouge Parish Coroner's Office as of and for the year ended December 31, 2003, and have issued our report thereon dated June 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the East Baton Rouge Parish Coroner's Office 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 the East Baton Rouge Parish Coroner's Office internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 the East Baton Rouge Parish Coroner's Office ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-1.

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 misstatement in amounts that would be material in relation to the 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 that the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Perithon & Nettunil*

June 15, 2004

## **EAST BATON ROUGE PARISH CORONER'S OFFICE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2003**

This section of the Coroner's annual financial report presents our discussion and analysis of the Coroner's financial performance during the fiscal year that ended on December 31, 2003. Please read it in conjunction with the transmittal letter at the front of this report and the Coroner's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The Coroner's total net assets decreased by \$52,779 over the course of this year's operations.
- During the year, the Coroner's expenses were \$52,779 more than the \$803,661 in revenues for governmental programs.
- The total cost of the Coroner's programs was \$856,440; an increase of approximately \$118,995.
- The coroner's general fund reported a loss this year of \$52,779.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the Coroner:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Coroner's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Coroner government, reporting the Coroner's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services, like public safety, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Coroner's financial statements, including the portion of the Coroner's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2003**

Figure A-1  
Major Features of Coroner's Government and Fund Financial Statements

	Government-wide Statements	Fund Statements Governmental Funds
Scope	Entire Coroner government	The activities of the Coroner that are not proprietary or fiduciary, such as public safety.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter



**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2003**

**Government-wide Statements**

The government-wide statements report information about the Coroner as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Coroner's net assets and how they have changed. Net assets—the difference between the Coroner's assets and liabilities—is one way to measure the Coroner's financial health, or position.

- Over time, increases or decreases in the Coroner's net assets are an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the Coroner you need to consider additional financial factors such as matters which affect the City/Parish of Baton Rouge.

The government-wide financial statements of the Coroner are divided into three categories:

- Governmental activities—all of the Coroner's basic services are included here

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Coroner's most significant funds—not the Coroner as a whole. Funds are accounting devices that the Coroner uses to keep track of specific sources of funding and spending for particular purposes.

- Presently, only General Fund is required by the Coroner.

The Coroner has two kinds of funds:

- Governmental funds—Most of the Coroner's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Coroner's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2003**

**FINANCIAL ANALYSIS OF THE CORONER AS A WHOLE**

**Net assets.**

**Table A-1  
Coroner's Net Assets**

	Governmental Activities	
	2003	2002
Current and other assets	\$79,246	\$63,560
Capital assets	50,508	57,709
<b>Total assets</b>	<b>129,754</b>	<b>\$121,269</b>
Current liabilities	42,898	7,359
Noncurrent liabilities	50,755	40,048
<b>Total liabilities</b>	<b>\$93,653</b>	<b>\$47,407</b>
Net assets		
Invested in capital assets, net of related debt	50,508	57,709
Unrestricted	(14,407)	16,153
<b>Total net assets</b>	<b>\$36,101</b>	<b>\$73,862</b>

**Changes in net assets.** The Coroner's total revenues increased by \$46,436 to \$803,661 (See Table A-2.) Approximately 87 percent of the Coroner's revenue comes from appropriations from the City of Baton Rouge/Parish of East Baton Rouge.

The total cost of all programs and services increased \$18,995 or 16.1 percent. The Coroner's expenses cover all services performed by its office.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2003**

**Governmental Activities**

Revenues for the Coroner's governmental activities increased 8.6 percent, while total expenses increased only 3.2 percent.

**Table A-2**  
**Changes in Coroner's Net Assets**

	<b>Governmental Activities</b>	
	<b>2003</b>	<b>2002</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$101,731	\$109,235
City grants	701,930	647,990
<b>Total revenues</b>	<b>\$803,366</b>	<b>\$757,225</b>
<b>Expenses</b>		
General government	856,440	728,459
<b>Total expenses</b>	<b>856,440</b>	<b>\$728,459</b>
<b>Decrease in net assets</b>	<b>(\$52,779)</b>	<b>\$28,766</b>

**Table A-3**  
**Net Cost of Coroner's Governmental Activities**

	<b>Total Cost Of Services</b>		<b>Net Cost of Services</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Public safety	\$56,440	\$728,459	\$(52,779)	\$28,766

**FINANCIAL ANALYSIS OF THE CORONER'S FUNDS**

As the Coroner completed the year, its governmental funds reported combined net assets of \$88,880. Included in this year's total change in fund balance, however is an increase of \$11,411 in the net pension obligation, that will be funded over a period of years.

**General Fund Budgetary Highlights**

Over the course of the year, the Coroner revised its budget once.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2003**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2003, the Coroner had invested \$50,508 in capital assets. (See Table A-4.)

**Table A-4  
Coroner's Capital Assets  
(net of depreciation)**

	<b>Governmental Activities</b>	
	<b>2003</b>	<b>2002</b>
Furniture and equipment	13,579	\$24,908
Vehicles	36,929	32,801
<b>Total</b>	<b>\$50,508</b>	<b>\$57,709</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Coroner is dependent on The City of Baton Rouge for approximately 86 percent of its revenues. The City receives a substantial part of its revenues from taxes. The economy is not expected to generate any significant growth. Therefore, the Coroner's future revenues are expected to be consistent with the current years. The budget for the 2003 year is approximately the same as the year 2003's budget.

**CONTACTING THE CORONER'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Coroner's finances and to demonstrate the Coroner's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dr. Louis Cataldie, Coroner, 222 St. Louis St., Governmental Building, 5<sup>th</sup> Floor, Baton Rouge, LA 70802.

**EAST BATON PARISH CORONER'S OFFICE**

**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2002**

**ASSETS**

Cash and cash equivalents	20,394
Receivables	58,852
Capital assets, net of accumulated depreciation	<u>50,508</u>
<b>TOTAL ASSETS</b>	<b><u>129,754</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable	41,304
Accrued compensated absences	1,594
Net pension obligation	<u>50,755</u>
<b>TOTAL LIABILITIES</b>	<b><u>93,653</u></b>

**NET ASSETS**

Invested in capital assets	50,508
Unrestricted	<u>(14,407)</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 36,101</u></b>

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

**EAST BATON PARISH CORONER'S OFFICE**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u> <u>Governmental</u> <u>Unit</u>	
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	
Governmental activities:				
Health and welfare	<u>\$ 856,440</u>	<u>\$ 101,731</u>	<u>\$ 701,930</u>	<u>\$ (52,779)</u>
Total governmental activities	<u>856,440</u>	<u>101,731</u>	<u>701,930</u>	<u>(52,779)</u>
			Excess of revenues over expenses	(52,779)
			Net assets - January 1, 2002	<u>88,880</u>
			Net assets - December 31, 2002	<u>\$ 36,101</u>

The accompanying notes are an integral part of this financial statement. - 11 -

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**DECEMBER 31, 2003**

**ASSETS**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash	\$ 20,394
Accounts receivable:	
Coroner's Emergency Certificate Fees	17,548
Due from City Parish	<u>41,304</u>
<b>Total Assets</b>	<b><u>\$ 79,246</u></b>

**LIABILITIES AND FUND EQUITY**

<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 41,304
<b>Total Liabilities</b>	<b><u>41,304</u></b>
<b><u>FUND EQUITY</u></b>	
Fund balances:	
Unreserved - undesignated	<u>37,942</u>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 79,246</u></b>

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

**EAST BATON PARISH CORONER'S OFFICE**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2003**

Total fund balances - Governmental Funds		\$ 37,942
Cost of capital assets at December 31, 2002	\$ 139,751	
Less: accumulated depreciation as of December 31, 2002	<u>89,243</u>	50,508
Long-Term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of:		
Net pension obligation	50,755	
Compensated absences	<u>1,594</u>	52,349
Total net assets at December 31, 2002 - Governmental Activities		<u><u>\$ 36,101</u></u>

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



**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Fund
<b><u>REVENUES</u></b>	
Fee Revenue	\$ 101,731
City of Baton Rouge	701,930
<b>Total Revenues</b>	<b>803,661</b>
<b><u>EXPENDITURES</u></b>	
General Government:	
Current operating:	
Personnel service	447,406
Professional services	229,434
Other operating	151,644
Capital outlay	8,454
<b>Total Expenditures</b>	<b>836,938</b>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	<b><u>(33,277)</u></b>
Fund balances - beginning of year	<u>71,219</u>
Fund balances - end of year	<u>\$ 37,942</u>

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

**EAST BATON ROUGE PARISH CORONER'S OFFICE**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2003**

Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses		\$ (33,277)
Capital Assets:		
Capital outlay capitalized	\$ 8,454	
Depreciation expense for year ended December 31, 2001	<u>15,655</u>	(7,201)
Long-term Liabilities		
Change in compensated absences	-	
Change in net pension obligations	<u>(12,301)</u>	(12,301)
Change in Net Assets - Governmental Activities		<u><u>\$ (52,779)</u></u>

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

**EAST BATON ROUGE PARISH CORONER'S OFFICE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**December 31, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The East Baton Parish Coroner's Office determines the manner and cause of death for those cases that fall within its jurisdiction. The Coroner's Office orders autopsies and issues death certificates. It also evaluates the mentally ill and the chemically dependent and determines the appropriate action for the persons in need of the services.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

**A. Financial Reporting Entity**

For financial reporting purposes, in conformance with GASB Codification Section 2100, the East Baton Rouge Parish Coroner's Office (the Coroner's Office) is considered a component unit of the City-Parish of Baton Rouge.

As the governing authority of the parish, for reporting purposes, the City-Parish of Baton Rouge is the financial reporting entity for East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (City-Parish), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City-Parish of Baton Rouge for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the City-Parish to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City-Parish.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Financial Reporting Entity(continued)**

2. Organizations for which the City-Parish does not appoint a voting majority but are fiscally dependent on the City-Parish.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City-Parish provides a significant amount of financial revenues, the coroner's office was determined to be a component unit of the City-Parish of Baton Rouge, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Coroner and do not present information on the City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Fund Accounting**

The accounts of the Coroner's Office 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 comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

**Governmental Fund Type**

**General Fund** – The general fund accounts for all operations of the coroner's office.

**C. Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Coroner maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the Coroner, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 7 years.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting / Measurement Focus**

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non-exchange transactions*.

**Program Revenues**

Program revenues included in the Statement of Activities derive directly from parties outside the Coroner's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Coroner's general revenues.

**Fund Financial Statements (FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Fund Financial Statements (FFS)**

Governmental and Agency Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Grants and state appropriations are recorded when the Coroner is entitled to the funds. Interest income on investments is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Budgets and Budgetary Accounting**

The Coroner's Office follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Coroner's Office prepares operating budgets for the general fund at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. The budgets are available for public inspection for a fifteen day period prior to a public hearing held to obtain taxpayer comment.
3. The budgets are adopted at the public hearing and are authorized for implementation on the first day of the fiscal year.
4. The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP).
5. The budgets may be revised during the year as estimates regarding revenues and expenditures change.
6. Appropriations lapse at the end of each fiscal year.

**F. Cash**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Coroner's Office 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.

**G. Total Columns on Combined Statements - Overview**

The total columns on the combined 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, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**H. Use of Estimates**

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

**2. CAPITAL ASSETS**

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**NOTES TO FINANCIAL STATEMENTS**

A summary of changes in general fixed assets follows:

	Balance December 31, 2002	Additions	Deletions	Balance December 31, 2003
Equipment	\$ 131,297	\$ 8,454	(\$ - )	\$ 139,751
Depreciation	( 73,558)	( 15,655)	-	( 89,213)
	<u>\$ 57,709</u>	<u>(\$ 7,201)</u>	<u>(\$ - )</u>	<u>\$ 50,508</u>

**3. RETIREMENT SYSTEMS**

The East Baton Rouge Parish Coroner's Office employees are members of the City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System. This system operates under the supervision of a seven member board of trustees independent from the City-Parish government.

*Plan Description.* The CPERS provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The CPERS issues a publicly available financial report that includes financial statements and required supplementary information for the CPERS. That report may be obtained by writing to the City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System, P. O. Box 1471, Baton Rouge, Louisiana 70802, or by calling (225) 389-3272.

Retirement System for 10 years (Ordinance 10779). Benefit payments are classified into two distinct categories: full retirement and minimum eligibility benefits. The service requirements and benefits granted for each category are:

1. Full retirement benefits-
  - a. Granted with 25 years of service regardless of age.
  - b. Defined as 3% of average compensation times the number of years of service.

Average compensation is determined by the highest average compensation in 36 successive months. In the case of interrupted service, the periods immediately before and after the interruption may be joined to produce 36 successive months. Benefits paid to employees shall not exceed 90% of average compensation. Benefits are reduced by 3% for each year below age 55, if service is less than 25 years.

*Funding Policy.* Plan members are required to contribute 8.00 percent of their annual covered salary and the Coroner is required to contribute at an actuarially determined rate. The rate in effect during 2003 was 13.85 percent of annual covered payroll. Member contributions and employer contributions for the CPERS are established by the Metropolitan Council of the City-Parish and are based upon actuarial studies.

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**NOTES TO FINANCIAL STATEMENTS**

**4. RETIREMENT SYSTEMS (continued)**

**A. City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System (CPERS) (continued)**

The following information regarding the Retirement System's net pension obligation is based on the December 31, 2003, actuarial valuation:

Annual required contributions	\$ 45,641
Interest on net pension obligation	3,076
Adjustment to annual required contribution	<u>(2,936)</u>
Annual pension cost	45,781
Contributions made	<u>33,480</u>
Increase (decrease) in net pension obligation	12,301
Net pension obligation beginning of year	<u>38,454</u>
Net pension obligation end of year	<u>\$ 50,755</u>

The annual required contribution for the current year was determined as part of the December 31, 2003, actuarial valuation using the Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Accrued Liability. This method compares the theoretical reserve for service prior to the valuation date to plan assets. With this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over both the earnings and service of the individual between entry age (date of membership in the system) and assumed exit age.

Significant actuarial assumptions used in the valuation include: (1) a rate on the investment of present and future assets of 8.0% per year, compounded annually; (2) projected salary increases of 4.0% per year compounded annually, attributable to inflation; (3) additional projected salary increases based on years of service and age attributed to seniority and merit; (4) no post-retirement benefit increases. The actuarial value of assets was determined using the Expected Value Method. This asset valuation method involves the determination of expected value, based on the actuarial asset value at the beginning of the previous year. The difference between the expected value and the market value for total (unrealized and realized) investments gains/losses is then reflected at the rate of 20% per year for each of the subsequent five years. This technique smoothes the volatility of market value for investments.

**Trend Information for the Coroner of the Nineteenth Judicial District Defined-Benefit Pension Plan for Members Enrolled in the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System**

Fiscal year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/03	\$ 45,781	73.1%	\$ 50,755
12/31/02	\$ 38,378	70.3%	\$ 38,454
12/31/01	\$ 31,199	86.7%	\$ 27,043



**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**NOTES TO FINANCIAL STATEMENTS**

**5. CASH AND CERTIFICATES OF DEPOSIT**

At December 31, 2003, the carrying amount of the Coroner's Office deposits was \$20,394 and the bank balances were \$25,855. The bank balance was covered by federal depository insurance.

**6. ACCOUNTS RECEIVABLE**

Accounts receivable consists of fees charged by the Coroner's office for services provided to various parishes. The balance at December 31, 2003 is as follows:

Accounts receivable	\$	29,621
Less: Allowance for doubtful accounts	(	12,080)
	\$	<u>17,541</u>

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Fee Revenue	\$ -	\$ -	\$ 101,731	\$ 101,731
City Parish of Baton Rouge	701,930	701,930	701,930	-
<b>Total Revenues</b>	<b>701,930</b>	<b>701,930</b>	<b>803,661</b>	<b>101,731</b>
<b><u>EXPENDITURES</u></b>				
General Government:				
Current operating:				
Personnel service	420,210	420,210	447,406	(27,196)
Professional services	192,000	192,000	229,434	(37,434)
Other operating	89,720	89,720	151,644	(61,924)
Capital outlay	-	-	8,454	(8,454)
<b>Total Expenditures</b>	<b>701,930</b>	<b>701,930</b>	<b>836,938</b>	<b>(135,008)</b>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	-	-	(33,277)	(33,277)
<b><u>FUND BALANCES</u></b>				
Beginning of year	71,219	71,219	71,219	-
End of year	\$ 71,219	\$ 71,219	\$ 37,942	\$ (33,277)

**EAST BATON ROUGE PARISH CORONER'S OFFICE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expressed an unqualified opinion on the financial statements of East Baton Rouge Coroner's Office.
2. One reportable condition disclosed during the audit of the financial statements is reported in the East Baton Rouge Parish Coroner's Office.
3. No instances of noncompliance material to the financial statements of East Baton Rouge Parish Coroner's Office, were disclosed during the audit.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS**

**03-1 Segregation of Duties**

*Condition:* The performance of accounting procedures is limited to a small number of people.

*Criteria:* Internal controls should be in place that provides reasonable assurance that financial transactions are properly accounted for. Segregation of duties among accounting staff is an integral part of internal controls.

*Effect:* There is insufficient segregation of duties within the accounting staff.

*Recommendation:* No action is recommended. It would not be cost effective.

*Response:* We concur with the recommendation. It would not be cost effective to increase the size of our staff to achieve effective segregation of duties.

**COMPLIANCE**

None