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## **ASCENSION PARISH CLERK OF COURT**

### **JUNE 30, 2004** **FINANCIAL STATEMENTS**

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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 2-16-05



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ASCENSION PARISH CLERK OF COURT

JUNE 30, 2004  
FINANCIAL STATEMENTS



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## Postlethwaite & Netterville

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### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the Ascension Parish Clerk of Court, as of and for the year ended June 30, 2004, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Ascension Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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 respective financial position of the governmental activities, each major fund, and the fiduciary funds of the Ascension Parish Clerk of Court, as of June 30, 2004, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 8, and 24 respectively, are not a required part of the basic financial statements but are 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 our report dated October 21, 2004 on our consideration of the Ascension Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

October 21, 2004  
Donaldsonville, LA



**Postlethwaite & Netterville**

A Professional Accounting Corporation

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the fiduciary funds of Ascension Parish Clerk of Court as of and for the year ended June 30, 2004, which collectively comprise the Ascension Parish Clerk of Court's basic financial statements, and have issued our report thereon dated October 21, 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 Ascension Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Ascension Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Clerk, management, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & Netterville*

October 21, 2004  
Donaldsonville, LA

## **ASCENSION PARISH CLERK**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS** **JUNE 30, 2004**

This section of Ascension Parish Clerk of Court's annual financial report presents our discussion and analysis of the Clerk's financial performance during the fiscal year that ended on June 30, 2004. Please read it in conjunction with the transmittal letter at the front of this report and the Clerk's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The Clerk's total net assets increased approximately \$445,000 over the course of this year's operations.
- During the year, the Clerk's expenses were \$2,851,083.
- Expenses for the year were increased by approximately \$397,684 or 16.2 percent.
- The general fund reported net income this year of \$420,573.

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

This annual report consists of four parts —management's discussion and analysis (this section), the financial statements, and required supplementary information, and other supplemental information. The financial statements include two kinds of statements that present different views of the Clerk:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Clerk's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Clerk's government, reporting the Clerk's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
  - Fiduciary fund statements provide information about the financial relationships in which the Clerk acts solely as agent for the benefit of others, to whom the resources in question belong.

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 Clerk's financial statements, including the portion of the Clerk'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.

**ASCENSION PARISH CLERK**

**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**JUNE 30, 2004**

	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire Clerk government (except fiduciary funds)	The activities of the Clerk that are not proprietary or fiduciary, such as general government	Instances in which the Clerk is the trustee or agent for someone else's resources
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>	<ul style="list-style-type: none"><li>• Statements of fiduciary net assets</li><li>• Statements of changes in fiduciary net assets</li></ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic 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	All assets and liabilities, both short-term and long-term; the Clerk's funds do not currently contain capital assets, although they can
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 is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid.

## **ASCENSION PARISH CLERK**

### **MANAGEMENTS DISCUSSION AND ANALYSIS**

**JUNE 30, 2004**

#### **Government-wide Statements**

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

- Over time, increases or decreases in the Clerk's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Clerk you need to consider additional nonfinancial factors such as the growth of Ascension Parish.

The government-wide financial statements of the Clerk include:

- Governmental activities—most of the Clerk's basic services are included here, such as personal services and benefits, and operating activities. Charges for services such as, recording, suits, certified copies, and criminal fees finance most of these activities.

#### **Fund Financial Statements**

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

The Clerk has two kinds of funds:

- Governmental funds—Most of the Clerk'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 Clerk'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.
- Fiduciary funds—These funds are used as depositories for suits. Disbursements from these funds are made to various litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Clerk's government-wide financial statements because the Clerk cannot use these assets to finance its operations.

## **ASCENSION PARISH CLERK**

### **MANAGEMENTS DISCUSSION AND ANALYSIS** **JUNE 30, 2004**

#### **FINANCIAL ANALYSIS OF THE CLERK AS A WHOLE**

**Net assets.** The Clerk's net assets increased between fiscal years 2003 and 2004 to approximately \$3.2million. (See Table A-1.)

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

	Governmental Activities	
	<b>2004</b>	<b>2003</b>
Current and other assets	\$3,014,656	\$2,598,649
Capital assets	340,842	305,592
<b>Total assets</b>	<b>3,355,498</b>	<b>2,904,241</b>
Current liabilities	29,368	33,934
Long term Liabilities	63,337	52,498
<b>Total liabilities</b>	<b>92,705</b>	<b>86,432</b>
Net assets		
Invested in capital assets, net of related debt	340,842	305,592
Unrestricted	2,921,951	2,512,217
<b>Total net assets</b>	<b>\$3,262,793</b>	<b>\$2,817,809</b>

Net assets of the Clerk's governmental activities increased 15.8 percent to approximately \$3.2 million.

**Changes in net assets.** The Clerk's total revenues increased by 2.8 percent. (See Table A-2.) Approximately 93 percent of the Clerk's revenue comes from charges for services. Another 2 percent comes from interest income. The remaining 5 percent is comprised of miscellaneous fees.

The total cost of all programs and services increased approximately \$397,600 or 16.2 percent. The Clerk's expenses cover all services performed by its office.

## **ASCENSION PARISH CLERK**

### **MANAGEMENTS DISCUSSION AND ANALYSIS** **JUNE 30, 2004**

#### **Governmental Activities**

Revenues for the Clerk's governmental activities increased 2.8 percent to \$3.2 million while total expenses increased 16.2 percent.

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

	<b>Governmental Activities</b>	
	<b>2004</b>	<b>2003</b>
<b>Revenues</b>		
Program revenues		
Charges for services	<b>\$3,076,256</b>	<b>\$2,994,655</b>
General revenues		
Miscellaneous	155,899	143,242
Interest	63,912	67,899
<b>Total revenues</b>	<b>3,296,067</b>	<b>3,205,796</b>
<b>Expenses</b>		
Personal services and benefits	2,097,096	1,905,695
Other operating	753,987	547,704
<b>Total expenses</b>	<b>2,851,083</b>	<b>2,453,399</b>
<b>Increase in net assets</b>	<b>\$ 444,984</b>	<b>\$ 752,397</b>

#### **FINANCIAL ANALYSIS OF THE CLERK'S FUNDS**

As the Clerk completed the year, its governmental funds reported a fund balance of \$2,985,288, an increase from last year of approximately \$420,500.

#### **General Fund Budgetary Highlights**

Over the course of the year, the general fund was amended to reflect an increase in personal services in benefits and capital outlay in the amounts of \$25,868 and \$68,500, respectively. Suit and recording revenues increased to \$35,000 and \$100,000, respectively.

**ASCENSION PARISH CLERK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2004**

**CAPITAL ASSETS**

At the end of 2004, the Clerk had invested \$340,842 in capital assets. (See Table A-3.)

**Table A-3**  
**Clerk's Capital Assets**  
(net of depreciation)

<b><u>Governmental Activities</u></b>		
	<b>2004</b>	<b>2003</b>
Equipment	\$ 327,019	\$ 287,999
Vehicles	13,823	17,593
<b>Total</b>	<b>\$340,842</b>	<b>\$305,592</b>

This year's major capital assets additions include:

- The purchase of a software upgrade in the amount of \$102,329.
- The purchase of a scanner in the amount of \$6,700.
- The purchase of new computers and office equipment costing approximately \$70,000.

This year's major capital disposals include:

- Obsolete office equipment such as computers, printers and monitors costing approximately \$9,300.

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

The Clerk is dependent on charges for services for 93 percent of its revenues. The economy is not expected to generate any significant growth nor are interest rates expected to rise in the near future.

**CONTACTING THE CLERK'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Clerk's finances and to demonstrate the Clerk's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ascension Parish Clerk's Office, PO Box 192, Donaldsonville, LA 70346.

**ASCENSION PARISH CLERK OF COURT**

**STATEMENT OF NET ASSETS**  
**JUNE 30, 2004**

**ASSETS**

Cash and cash equivalents	\$ 2,873,389
Receivables	110,037
Due from other funds	31,230
Capital assets, net of accumulated depreciation	<u>340,842</u>
TOTAL ASSETS	<u>\$ 3,355,498</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable	\$ 29,368
Total current liabilities	<u>29,368</u>

**LONG-TERM LIABILITIES**

Compensated absences payable	63,337
Total long-term liabilities	<u>63,337</u>

TOTAL LIABILITIES 92,705

**NET ASSETS**

Invested in capital assets	340,842
Unrestricted	<u>2,829,246</u>
TOTAL NET ASSETS	<u>\$ 3,262,793</u>

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

ASCENSION PARISH CLERK OF COURT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>	<u>Governmental Unit</u>
	<u>Charges for Services</u>		
	<u>Expenses</u>		
<b><u>FUNCTIONS/PROGRAMS</u></b>			
Governmental activities:			
General government	\$ 2,851,083	\$ 3,076,256	\$ 225,173
Total governmental activities	<u>2,851,083</u>	<u>3,076,256</u>	<u>225,173</u>
General Revenues:			
Miscellaneous		155,899	
Interest		<u>63,912</u>	
	Total general revenues	<u>219,811</u>	
	Change in net assets	444,984	
	Net assets - July 1, 2003	<u>2,817,809</u>	
	Net assets - June 30, 2004	<u>\$ 3,262,793</u>	

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

ASCENSION PARISH CLERK OF COURT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

ASSETS

	<u>General Fund</u>
Cash	\$ 473,389
Certificates of deposit	2,400,000
Accounts receivable	107,703
Accrued interest	2,334
Due from other funds	<u>31,230</u>
 Total assets	<u>\$ 3,014,656</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	<u>\$ 29,368</u>
 Total liabilities	<u>29,368</u>
 Fund balance	
Unreserved - undesignated	<u>2,985,288</u>
 Total fund balance	<u>2,985,288</u>
 Total liabilities and fund balances	<u>\$ 3,014,656</u>

The accompanying notes are an integral part of this statement.

**ASCENSION PARISH CLERK OF COURT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2004**

Total fund balances - Governmental Funds		\$ 2,985,288
Cost of capital assets at June 30, 2004	1,010,507	
Less: accumulated depreciation as of June 30, 2004	<u>669,665</u>	340,842
Less: Long-term liabilities at June 30, 2004		
Compensated absences payable		<u>63,337</u>
 Total net assets at June 30, 2004 - Governmental Activities		<u>\$ 3,262,793</u>

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

**ASCENSION PARISH CLERK OF COURT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2004**

	<u>2004</u>
<b><u>REVENUES</u></b>	
Certified copies	\$ 264,765
Criminal fees	125,082
Recording	1,672,680
Suits	1,013,729
Miscellaneous	155,899
Interest	63,912
Total Revenues	<u>3,296,067</u>
<b><u>EXPENDITURES</u></b>	
Current:	
Personal services and benefits	2,097,096
Operating	565,315
Capital outlay	213,083
Total Expenditures	<u>2,875,494</u>
Excess of Revenues over Expenditures	420,573
Fund Balance, July 1, 2003	<u>2,564,715</u>
Fund Balance, June 30, 2004	<u>\$ 2,985,288</u>

The accompanying notes are an integral part of this statement.

**ASCENSION PARISH CLERK OF COURT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2004**

Excess of Revenue and Other Sources Over Expenditures and Other Uses	\$ 420,573
Capital Assets:	
Capital outlay capitalized	195,268
Depreciation expense for year ended June 30, 2004	(157,571)
Less: Excess of compensated absences earned over compensated absences used	(10,839)
Difference on gain on asset	<u>(2,447)</u>
Change in Net Assets - Governmental Activities	<u>\$ 444,984</u>

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

**ASCENSION PARISH CLERK OF COURT**  
**Donaldsonville, Louisiana**

**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2004**

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 2,450,613</u>
Total Assets	<u><u>2,450,613</u></u>
<b>LIBAILITIES</b>	
Unsettled deposits	<u>\$ 2,450,613</u>
Total Liabilities	<u><u>2,450,613</u></u>
<b>NET ASSETS</b>	<u><u>\$ -</u></u>

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

**ASCENSION PARISH CLERK OF COURT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING**

**BASIS OF PRESENTATION**

The accompanying financial statements of the Ascension Parish Clerk have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

**GOVERNMENT-WIDE STATEMENTS:**

The statement of net assets and the statement of activities display information about the primary government (the Clerk). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**FUND FINANCIAL STATEMENTS:**

The fund financial statements provide information about the Clerk's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds.

The Clerk reports the following major governmental fund:

**General Fund**

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

**ASCENSION PARISH CLERK OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)**

FUND FINANCIAL STATEMENTS (continued)

The Clerk reports the following fund types:

**Agency Funds**

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

**C. REPORTING ENTITY**

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Clerk is considered a primary government, since it is a special purpose government, the Clerk is elected, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Clerk may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Clerk also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the Clerk is financially accountable. There are no other primary governments with which the Clerk has a significant relationship.

**D. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

The GWFS and fiduciary fund statements are reported using the economic resources measurement focus. The government wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Clerk gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**ASCENSION PARISH CLERK OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**D. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)**

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Clerk considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

All governmental activities of the Clerk follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**E. CAPITAL ASSETS**

All capital assets are capitalized at historical cost, or eliminated historical costs for assets where actual cost is not available. Donated fixed assets are recorded at their fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5
Equipment	5-10

**ASCENSION PARISH CLERK OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

**F. BUDGETS AND BUDGETARY ACCOUNTING**

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

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

**G. ENCUMBRANCES**

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

**H. COMPENSATED ABSENCES**

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

**ASCENSION PARISH CLERK OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2004, are as follows:

Governmental activities:

	<u>Vehicles</u>	<u>Equipment</u>
Cost of Capital		
Assets June 30, 2003	\$ 18,850	\$805,689
Additions		195,268
Deletions	-	(9,300)
Costs of Capital Assets, June 30, 2004	<u>18,850</u>	<u>991,657</u>
Accumulated depreciation, June 30, 2003	1,257	517,690
Additions	3,770	153,801
Deletions		(6,853)
Accumulated depreciation, June 30, 2004	<u>\$ 5,027</u>	<u>\$ 664,638</u>

For the year ended June 30, 2004 depreciation expense was \$157,571.

**3. CASH**

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

The carrying amount of the Clerk's deposits at June 30, 2004 was \$2,324,002 and the bank balance was \$2,780,497. Of the bank balances, \$400,000 was covered by federal depository insurance and \$2,380,497 was covered by collateral held by the pledging bank's agent in the Clerk's name.

The Clerk also had invested \$3,000,000 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP as of June 30, 2004 is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer and representatives from various organizations of local government who are investors in LAMP.

## ASCENSION PARISH CLERK OF COURT

### NOTES TO THE FINANCIAL STATEMENTS

#### **4. DEFINED BENEFITS PENSION PLAN**

##### Plan Description

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

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Ascension Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.5 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 Ascension Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Ascension Parish Clerk of Court's contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$ 250,713, \$217,293, and \$209,245, respectively, equal to the required contributions for each year.

#### **5. DEFERRED COMPENSATION PLAN**

The Clerk adopted an (IRC) 457 deferred compensation plan effective February 1, 2001. The plan covers all full time employees. The Clerk matches up to 10 percent of employee contributions. The Clerk's contributions for the years ending June 30, 2004 and 2003 were \$114,550 and \$100,882, respectively.

**ASCENSION PARISH CLERK OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. EXCESS FUND BALANCE**

Louisiana Revised Statute 13:785 requires that every four years (at the expiration of the term of office) the Clerk of Court must pay the parish treasurer any balance in the clerk's salary fund which exceeds one-half of the revenues of the last year of the term, which amount shall be limited to not more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2004, there was no amount due the parish treasurer as this was not the last year of the Clerk's four-year term of office, and no determination of the amount what will be due, if any, can be made at this time.

**7. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH POLICE JURY**

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

**8. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

In addition to providing pension benefits described in Note 4, the Clerk, in accordance with state statutes, provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the employees become eligible for these benefits if they reach normal retirement age while working for the Clerk. The insurance premiums are paid jointly by the retired employee and the Clerk. In year ended June 30, 2004 the Clerk paid approximately 50% of the insurance premiums for retired employees. The Clerk recognizes the cost of providing these benefits (the Clerk's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due.

**9. RISK MANAGEMENT**

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk purchased a commercial insurance policy to satisfy claims related to general liability, automobile liability, property and casualty, employee health and accident, and errors and omissions.

**ASCENSION PARISH CLERK OF COURT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**10. CHANGES IN LONG -TERM DEBT**

At June 30, 2004, employees of the Clerk's office have accumulated and vested \$63,337 of employee leave benefits.

The following is a summary of long-term debt transactions during the year:

	Compensated Absences
Long term obligations payable at July 1, 2003	\$ 52,498
<i>Additions</i>	<u>10,839</u>
Long term obligations payable at June 30, 2004	<u>\$ 63,337</u>

**ASCENSION PARISH CLERK OF COURT**

**BUDGETARY COMPARISON  
GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Certified copies	\$ 265,000	\$ 261,000	\$ 264,765	\$ 3,765
Criminal fees	126,000	120,000	125,082	5,082
Recording	1,550,500	1,650,500	1,672,680	22,180
Suits	975,000	1,010,000	1,013,729	3,729
Miscellaneous	149,350	154,550	155,899	1,349
Interest	110,000	63,900	63,912	12
Total Revenues	<u>3,175,850</u>	<u>3,259,950</u>	<u>3,296,067</u>	<u>36,117</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Personal services and benefits	2,043,800	2,069,668	2,097,096	(27,428)
Operating	459,890	587,795	565,315	22,480
Capital outlay	157,600	226,100	213,083	13,017
Total Expenditures	<u>2,661,290</u>	<u>2,883,563</u>	<u>2,875,494</u>	<u>8,069</u>
Excess of Revenues over Expenditures	514,560	376,387	420,573	44,186
Fund Balance, July 1, 2003	<u>2,564,715</u>	<u>2,564,715</u>	<u>2,564,715</u>	-
Fund Balance, June 30, 2004	<u>\$ 3,079,275</u>	<u>\$ 2,941,102</u>	<u>\$ 2,985,288</u>	<u>\$ 44,186</u>

**ASCENSION PARISH CLERK OF COURT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2004**

**SUMMARY OF AUDIT RESULTS**

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

**FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**ASCENSION PARISH CLERK OF COURT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2004**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**NON COMPLIANCE**

**03-01 Security for Deposits**

*Condition:* The Clerk's deposits were under secured by \$38,140 at June 30, 2003 due to a bank error.

*Recommendation:* The Clerk should monitor the security for deposits at each financial institution used on a regular basis in order to ensure proper security on all deposits.

No similar findings were noted in the current year.