

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
Governmental Fund Type - General Fund
Year Ended June 30, 1996

With Comparative Actual Amounts for the Year Ended June 30, 1995

(See Accountant's Compilation Report)

	1996			
	Budget	Actual	Variance - Favorable (Unfavorable)	1995 Actual
Revenues:				
Licensed and permits	\$ 5,000	\$ 6,125	\$ 1,125	\$ 5,775
Fees, charges, and commissions for services -				
Court costs, fees and charges	36,500	45,651	9,151	38,787
Fees for recording legal documents	222,500	262,490	39,990	226,149
Fees for certified copies	14,000	19,028	5,028	14,140
Interest earnings	<u>4,500</u>	<u>5,250</u>	<u>750</u>	<u>5,374</u>
Total revenues	<u>282,500</u>	<u>338,544</u>	<u>56,044</u>	<u>290,225</u>
Expenditures:				
Current -				
Personal services and related benefits	232,548	244,835	(12,287)	229,382
Operating services	14,700	11,538	3,162	14,126
Materials and supplies	35,100	27,735	7,365	20,267
Capital outlay				<u>10,393</u>
Total expenditures	<u>282,348</u>	<u>284,108</u>	<u>(1,760)</u>	<u>274,168</u>
Excess (deficiency) of revenues over expenditures	152	54,436	54,284	16,057
Fund balances, beginning of year	<u>55,114</u>	<u>55,114</u>	-----	<u>39,057</u>
Fund balances, end of year	<u>\$55,266</u>	<u>\$109,550</u>	<u>\$54,284</u>	<u>\$55,114</u>

The accompanying notes are an integral part of these financial statements.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements

June 30, 1996

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A clerk of court is elected for a term of four years.

The accounting and reporting policies of the Allen Parish Clerk of Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (policy jury), (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 (GASB) Statement No. 14 established criteria for determining which component unit should be considered part of the Allen Parish Police Jury 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 police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury provides financial benefits that make the clerk of court fiscally dependent, the clerk of court was determined to be a component unit of the Allen Parish

Notes to Financial Statements

June 30, 1996

Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, 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 Allen Parish Clerk of Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its asset, 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:

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Allen Parish Clerk of Court and is used to account for the operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operation expenditures are paid from this fund.

Agency Funds

The Advance Deposits and Registry of Court Agency Funds are used to account for assets held as an agent for individuals, etc. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Allen Parish Clerk of Court's records are maintained on a modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Recordings, cancellations, mortgage certificates, certified copies, court attendance, suits and successions, interest earned on interest-bearing deposits, and criminal costs are recorded in the year in which they are earned.

Substantially all other revenues are recorded when received.

Expenditures

Notes to Financial Statements

June 30, 1996

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

D. Budgetary Accounting

A budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally prepared or as amended by the Clerk of Court. All budgetary appropriations lapse at the end of each fiscal year.

E. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. The amount of fixed asset costs estimated is immaterial.

The account group is not a "fund". It is concerned only with the measurement of financial position, not with measurement of results of operations.

F. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable is made due to immateriality at June 30, 1996.

H. Vacation and Sick Leave

Employees of the Clerk of Court's office earn one to three weeks of vacation and 12 days of sick leave each year. Vacation and sick leave must be used in the year earned. At June 30, 1996, the employees of the Clerk of Court have no accumulated and vested leave benefits required to be reported in accordance with generally accepted accounting principles.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Allen Parish Clerk of Court as an extension of formal budgetary integration in the funds.

J. Total Columns on Combined Balance Sheet

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements

June 30, 1996

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

K. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank located in the parish or congressional district that is organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1996, the Clerk of Court has cash and cash equivalents (book balances) totaling \$447,002 as follows:

	Calcasieu Marine Bank	American Security Bank	
Demand deposits:			
Non-interest-bearing	\$	\$ 21,897	\$ 21,897
Interest-bearing	81,319	253,786	335,105
Time deposits	<u>65,000</u>	<u>25,000</u>	<u>90,000</u>
Total	\$ <u>146,319</u>	\$ <u>300,683</u>	\$ <u>447,002</u>

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 bank. 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. Deposit balances (bank balances) at June 30, 1996, are secured as follows:

	Calcasieu Marine Bank	American Security Bank
Bank balances	\$ <u>152,282</u>	\$ <u>328,434</u>

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements

June 30, 1996

Securities pledged (category 3)		1,121,201		
Federal deposit insurance	100,000	121,897		
	<u>100,000</u>	<u>1,243,098</u>		
Over (Under) secured deposits	\$ (52,282)	\$ 914,664		

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

(3) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>07/01/95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/96</u>
Furniture, fixtures and equipment	\$118,992	\$ 2,605	\$ _____	\$121,597

(4) Pension Plan

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

All regular employees earning at least \$100 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 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 who 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 by state statute.

Contributions to the system 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. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's 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 following provides certain disclosures for the Clerk of Court and the retirement system that are required by GASB Codification Section P20.129 for the year ended June 30, 1996:

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements

June 30, 1996

Contribution rates:	
Employees8.25%
Employer11.50%
Total current year payroll	\$ 184,892
Total current year covered payroll	\$ 171,646

	<u>Percent</u>	<u>Amount</u>	<u>Actual</u>
Contributions required by statute:			
Employees	8.25 %	\$ 11,069	\$ 11,069
Employer	<u>10.97 %</u>	<u>19,454</u>	<u>19,454</u>
Total	<u>19.22 %</u>	<u>\$ 30,523</u>	<u>\$ 30,523</u>

Retirement System:

Estimated payroll for current year	\$ 47,314,712
Dollar amount	\$ 8,037,496
Percent of estimated payroll	<u>10.07 %</u>

For the year ended June 30, 1996:

Retirement System:

Net assets available	\$ 106,132,031
Pension benefit obligation	<u>179,297,050</u>
Unfunded pension benefit obligation	\$ 73,165,019

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increased and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1996 comprehensive annual financial report. The Allen Parish Clerk of Court does not guarantee the benefits granted by the System.

(5) Changes in Agency Fund Balances

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements

June 30, 1996

A summary of changes in agency fund unsettled deposits follows:

	Unsettled Deposits <u>07/01/95</u>	<u>Additions</u>	<u>Reductions</u>	Unsettled Deposits <u>06/30/96</u>
Agency funds:				
Advance Deposit I	\$ 1,236	\$ 28	\$ 60	\$ 1,204
Advance Deposit III	188,791	285,156	251,496	222,451
Registry of Court	<u>63,796</u>	<u>58,494</u>	<u>4,159</u>	<u>118,131</u>
Total	\$ <u>253,823</u>	\$ <u>343,678</u>	\$ <u>255,715</u>	\$ <u>341,786</u>

(6) Litigation and Claims

There is no litigation pending against the Allen Parish Clerk of Court's office at June 30, 1996.

(7) Expenditures of the Clerk of Court Paid by the Parish Police Jury

The Clerk of Court's office is located in the Allen Parish Courthouse. The upkeep and maintenance of the courthouse is paid by the Allen Parish Police Jury. Certain operating expenditures of the Clerk of Court's office are paid by the parish police jury. The fixed assets purchased and included in the general fixed assets account group are the only amounts included in the accompanying financial statements. These expenditures are summarized as follows:

Furniture, fixtures and equipment	\$ 2,605
Office supplies	<u>5,469</u>
Total	\$ <u>8,074</u>

(8) Receivables

The receivables of \$12,820 at June 30, 1996 are as follows:

Mortgage Certificates	\$ 325
Cancellations	325
Certified copies	590
Recordings	<u>11,580</u>
Total	\$12,820

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1996

(See Accountant's Compilation Report)

	Governmental		Fiduciary		Account Group		Totals	
	Fund Type	General	Fund Type	Agency	General	Fixed Assets	(Memorandum Only)	1995
ASSETS								
Cash	\$		\$	21,897	\$		\$	21,897
Interest-bearing deposits		105,216		319,889				425,105
Accounts receivable		12,820						12,820
Furniture, Fixtures and Equipment						121,597		121,597
Total assets	\$	<u>118,036</u>	\$	<u>341,786</u>	\$	<u>121,597</u>	\$	<u>581,419</u>
LIABILITIES AND FUND EQUITY								
Accounts payable	\$	2,360	\$		\$		\$	2,360
Accrued liabilities		6,126						6,126
Due to litigants				341,786				341,786
Total liabilities		<u>8,486</u>		<u>341,786</u>				<u>350,272</u>
Fund equity:								
Investment in general fixed assets						121,597		121,597
Fund balance - Unreserved and undesignated		109,550						109,550
Total fund equity		<u>109,550</u>				<u>121,597</u>		<u>231,147</u>
Total liabilities and fund equity	\$	<u>118,036</u>	\$	<u>341,786</u>	\$	<u>121,597</u>	\$	<u>581,419</u>

The accompanying notes are an integral part of these financial statements.

GENERAL PURPOSE FINANCIAL STATEMENTS

ROYCE T. SCIMEMI, CPA, INC.

CERTIFIED PUBLIC ACCOUNTANT
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Tele (318) 639-4334 * Fax (318) 639-4068

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

Accountant's Compilation Report

Honorable Gerald Harrington
Allen Parish Clerk of Court
Oberlin, LA

I have compiled the accompanying general purpose financial statements of the Allen Parish Clerk of Court, a component unit of the Allen Parish Police Jury, as of June 30, 1996 and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements for the year ended June 30, 1995 were audited by Darnall, Sikes, Kolder, Frederick & Rainey, and they expressed an unqualified opinion on them in their report dated August 18, 1995, but I have not performed any auditing procedures since that date.

Royce T. Scimemi, CPA, Inc.
December 27, 1996

Royce T. Scimemi, CPA, Inc.

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Allen Parish Clerk of Court has no public board and is not required to conduct public meetings. Therefore, no minute book has been maintained and no corresponding advertisements were made.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

I inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts. Since there is no public board and public meetings are not required, no minutes were kept to authorize any such bonuses, advances or gifts.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the Clerk's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the Allen Parish Clerk of Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Royce T. Scimemi, CPA, Inc.

Royce T. Scimemi, CPA, Inc.
December 27, 1996

4. Determine whether any of those employees included in the listing obtained from the Allen Parish Clerk of Court in agreed-upon procedure (3) were also included on the listing obtained from the Allen Parish Clerk of Court in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by the Allen Parish Clerk of Court in agreed-upon procedure (3) were also included on the listing obtained from the Allen Parish Clerk of Court in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The Allen Parish Clerk of Court provided me with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

The Allen Parish Clerk of Court has no public board and is not required to conduct public meetings. Therefore, no minute book was maintained to trace to the adoption of the budget. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Allen Parish Clerk of Court.

Meetings

ROYCE T. SCIMEMI, CPA, INC.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Honorable Gerald Harrington
Allen Parish Clerk of Court
Oberlin, LA

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Allen Parish Clerk of Court and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating Clerk's assertions about the Allen Parish Clerk of Court's compliance with certain laws and regulations during the year ended June 30, 1996 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law)

No expenditures were made during the year for materials and supplies exceeding \$5,000 or for public works exceeding \$50,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the Allen Parish Clerk of Court as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Allen Parish Clerk of Court and employees, as well as their immediate families

The Allen Parish Clerk of Court provided me with the required list included in the noted information.

3. Obtain from the Allen Parish Clerk of Court a listing of all employees paid during the period under examination.

The Allen Parish Clerk of Court provided me with the required list.

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ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Financial Report

Year Ended June 30, 1996

RECEIVED
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97 JAN -2 AM 11:06

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

Royce T. Scimemi, CPA, Inc.

Release Date 3-26-97