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WEST BATON ROUGE PARISH CLERK OF COURT
Port Allen, Louisiana
Annual Financial Statements
Year Ended June 30, 2006

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 1/10/07

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REPORT OF INDEPENDENT ACCOUNTANT

September 29, 2006

West Baton Rouge Parish Clerk of Court
Port Allen, Louisiana

I have audited the accompanying basic financial statements of the West Baton Rouge Parish Clerk of Court as of and for the year ended June 30, 2006, as listed in the Table of Contents. These basic financial statements are the responsibility of the West Baton Rouge Parish Clerk of Court's management. My responsibility is to express an opinion of these basic financial statements based on my audit.

I conducted my 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 I 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.


In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the West Baton Rouge Parish Clerk of Court as of June 30, 2006, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the West Baton Rouge Parish Clerk of Court has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments, as of June 30, 2006.

The budgetary information on page 22, is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

The West Baton Rouge Parish Clerk of Court has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, I have also issued a report dated September 29, 2006, on our consideration of West Baton Rouge Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in cursive script, reading "Paul C. Duvall". The signature is written in dark ink and is slanted slightly to the right.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>GENERAL</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT</u>
	<u>FUND</u>	<u>(Note 2)</u>	<u>OF</u>
			<u>NET ASSETS</u>
<u>ASSETS:</u>			
Cash & Cash Equivalents	\$710,334	\$-0-	\$710,334
Investments - Lamp	285,802	-0-	285,802
Accounts Receivable	15,996	-0-	15,996
Intergovernmental Receivables	3,959	-0-	3,959
Fixed Assets	-0-	52,121	52,121
	<hr/>	<hr/>	<hr/>
Total Assets	1,016,091	52,121	1,068,212
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES:</u>			
Current Liabilities			
Accounts Payable	\$25,961	-0-	\$25,961
Employee Withholdings	9,948		9,948
Interfund Payable	60,677	-0-	60,677
	<hr/>	<hr/>	<hr/>
Total Liabilities	96,586	-0-	96,586
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES/NET ASSETS</u>			
<u>FUND BALANCES:</u>			
Unreserved	919,505	(919,505)	-0-
	<hr/>	<hr/>	<hr/>
<u>NET ASSETS:</u>			
Unrestricted	-0-	971,626	971,626
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance/Net Assets	1,016,091	52,121	1,068,212
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
STATEMENT OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

	GENERAL	ADJUSTMENTS	STATEMENT
	FUND	(Note 3)	OF
<u>EXPENDITURES</u>			<u>ACTIVITIES</u>
CLERK OF COURT SERVICES			
Salaries	\$416,395	\$-0-	\$416,395
Fringe Benefits	167,992	-0-	167,992
Travel	3,117	-0-	3,117
Operating Services	93,451	-0-	93,451
Supplies	36,615	-0-	36,615
Capital Outlay	1,234	(1,234)	-0-
Depreciation	-0-	20,593	20,593
	<hr/>	<hr/>	<hr/>
Total Expenditures/Expenses	718,804	19,359	738,163
	<hr/>	<hr/>	<hr/>
<u>PROGRAM REVENUES:</u>			
Charges For Services	655,266	-0-	655,266
Licenses And Permits	2,876	-0-	2,876
	<hr/>	<hr/>	<hr/>
Total Program Revenues	658,142	-0-	658,142
	<hr/>	<hr/>	<hr/>
Net Program Expenses	(60,662)	(19,359)	(80,021)
	<hr/>	<hr/>	<hr/>
<u>GENERAL REVENUES:</u>			
Intergovernmental			
Election Refunds	1,302	-0-	1,302
Clerks Supplemental Pay	16,450	-0-	16,450
Investment Income	49,577	-0-	49,577
Miscellaneous	2,459	-0-	2,459
	<hr/>	<hr/>	<hr/>
Total General Revenue	69,788	-0-	69,788
	<hr/>	<hr/>	<hr/>
Excess of General Revenues			
Over Expenditures	9,126	(19,359)	(10,233)
	<hr/>	<hr/>	<hr/>
CHANGES IN NET ASSETS			
FUND BALANCES/NET ASSETS			
BEGINNING OF YEAR	910,379	71,480	981,859
	<hr/>	<hr/>	<hr/>
END OF YEAR	919,505	52,121	971,626
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2006

	ADVANCE DEPOSIT FUND	REGISTRY OF THE COURT FUND	TOTAL
<u>ASSETS:</u>			
Cash & Cash Equivalents	\$60,129	\$1,066	\$61,195
Investments - Lamp	406,635	410,645	817,280
Interfund Receivable	60,677	-0-	60,677
	<hr/>	<hr/>	<hr/>
Total Assets	527,441	411,711	939,152
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES:</u>			
Current Liabilities			
Accounts Payable	\$-0-	\$-0-	-0-
Held For Others			
Pending Court Action	527,441	411,711	939,152
	<hr/>	<hr/>	<hr/>
Total Liabilities	527,441	411,711	939,152
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>NET ASSETS:</u>			
Unrestricted	-0-	-0-	-0-
	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	527,441	411,711	939,152
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	ADVANCE DEPOSIT FUND	REGISTRY OF THE COURT FUND	TOTAL
<u>ADDITIONS</u>			
Deposits:			
Suits and successions	\$506,340	\$30,193	\$536,533
Interest earnings	16,673	13,258	29,931
Total Additions	523,013	43,451	566,464
<u>REDUCTIONS</u>			
Clerk's Cost (Transferred to General Fund)	265,439	-0-	265,439
Settlement to litigants	-0-	43,351	43,351
Attorney, Curator & Notary	59,795	-0-	59,795
Witnesses, Appraisers	280	-0-	280
Stenographer's Fees	-0-	-0-	-0-
Sheriff's Fees	52,224	-0-	52,224
Judicial Court Fund	34,033	-0-	34,033
Parish Council	9,362	-0-	9,362
Other	11,047	-0-	11,047
Total Reductions	432,180	43,351	475,531
Net Change	90,833	100	90,933
<u>UNSETTLED DEPOSITS, JULY 1</u>	436,608	411,611	848,219
<u>UNSETTLED DEPOSITS, JUNE 30</u>	527,441	411,711	939,152

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court services as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The clerk is elected for a four year term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements of the West Baton Rouge Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the West Baton Rouge Parish Council. The Parish Council maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the parish council, the clerk of court was determined to be a component unit of the West Baton Rouge Parish Council, 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 parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

GOVERNMENTAL FUNDS

Governmental funds account for all or most of the Clerk of Court's general activities. Those funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they are to be paid. The difference between a governmental fund's assets and liabilities is reported as fund balances. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following are the Clerk of Court's governmental funds:

General Fund - the primary operating fund of the Clerk of Court and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Clerk of Court policy.

Fiduciary Funds - reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency account for assets held as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenue, expenditures and changes in fund balances reports the sources (i.e. revenue and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustments to a government-wide view of the Clerk of Court operations.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

The amounts reflected in the General Fund of Statement A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Major revenue sources susceptible to accrual include: licenses, charges for services and investment income.

Expenditures

The major expenditures are: salaries, supplies, and capital outlay.

Deferred Revenue

Deferred revenues arise when resources are received by the Clerk of Court before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Clerk of Court has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Clerk of Court as a whole excluding the fiduciary activities such as employee pension plans. Information contained in these columns reflect 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 Statement No. 33, Accounting and Financial Reporting for Non-exchanged Transactions.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

Program Revenues

Program revenues included in the column labeled Statement of Activities are derived directly from Clerk of Court users as a fee for services; program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

E. BUDGETS

The proposed budget for the fiscal year was made available public inspection at the clerk's office on **June 13, 2005**. The proposed budget, prepared on the accrual basis of accounting, was published in West Side Journal, the official journal, 5 days before the public hearing. The budget hearing was held at the clerk's office on **June 20, 2005**. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year-end.

F. CASH AND CASH EQUIVALENTS

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

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. PREPAID ITEMS

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

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost, if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalized capital assets.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

J. CAPITAL ASSETS (Continued)

Capital assets are recorded in the Statement of Net Assets and the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets other than land are depreciated using the straight line method over the following useful lives:

Furniture and fixtures	5-7 Years
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K. COMPENSATED ABSENCES

The clerk of court has the following policy relating to vacation and sick leave:

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

The Clerk of Court's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

Total Governmental Fund Balance	\$919,505
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>52,121</u>
Net Assets of Governmental Activities	<u><u>971,626</u></u>

NOTE 3 - RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances-Total Governmental Funds	\$9,126
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	<u>(19,359)</u>
Net Assets of Governmental Activities	<u><u>(10,233)</u></u>

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 4 - CASH AND CASH EQUIVALENTS

At June 30, 2006, the West Baton Rouge Clerk of Court had cash and cash equivalent (book balances) totaling \$771,529.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk-Deposits. At year-end the bank balance was \$879,326. Of the bank balances, \$305,822 was covered by federal depository insurance. \$2,661,223 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Clerk of Court's name (GASB Category 1).

Even though the pledged securities are considered uncollateralized (Category 1) under the provisions of GASB Statement 3, Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledge securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

Interest Rate-Deposits. The Clerk of Court's policy does not address interest rate risk.

NOTE 5 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Subdistrict or its agent in the Clerk of Court's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Clerk of Court's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent by not in the Clerk of Court's name.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - INVESTMENTS (Continued)

At year-end, the Clerk of Court's Investment balances were as follows:

<u>Type of Investment</u>	<u>Carrying Amount</u> <u>Fair Value</u>
Investments not subject to categorization:	
External investment pool (LAMP)	\$1,103,082

Investments held at June 30, 2006, consist of \$1,103,082 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP at June 30, 2006, is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investments is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk. The Clerk of Court manages its exposure to declines in fair value by investing in the LAMP investment pool which is highly liquid and has short maturity dates.

Credit Risk. State law limits investments to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies. New regulations also include investments in investment grade commercial paper of domestic U.S. corporations. The Clerk of Court's investments at June 30, 2006, were limited to investments in LAMP with a Standard and Poor rating of AAA. LAMP investments in commercial paper is limited to U.S. corporations with an A-1 or A-1+ by Standard and Poor.

Concentration of Credit Risk. LAMP investments are limited to securities issued, guaranteed or otherwise backed by the U.S. government. Commercial paper investment is limited to a maximum of 30% of the total assets of LAMP. 3% of assets per issuer, and 25% of assets per industry, except banking.

Custodial Credit Risk-Investments. LAMP investments are limited to securities issued, guaranteed or otherwise backed by the U.S. Government. The government securities are backed by the Federal Government.

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 7 - RECEIVABLES

A. A Summary of Receivables at year end follows:

<u>CLASS OF RECEIVABLES</u>	<u>GENERAL FUND</u>
Charges for Services	\$15,996 <u> </u>

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Because the Clerk of Court operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans in the Fund Financial Statements. A summary of these interfund loans at year end, is as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
Fiduciary Fund		
Advance Deposit Fund	\$60,677	\$-0-
General Fund	-0-	60,677
	<u> </u>	<u> </u>
Total	60,677	60,677

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 8 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2006, is as follows:

<u>Governmental Activities</u>	<u>Balance 6-30-05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-06</u>
Furniture & Equipment	\$283,075	\$1,035	\$-0-	\$284,110
Accumulated Depreciation:				
Furniture & Equipment	(211,396)	(20,593)	-0-	(231,989)
Net Capital Assets	71,679	(19,558)	-0-	52,121

NOTE 9 - PENSION PLAN AND RETIREMENT COMMITMENTS

PLAN DESCRIPTION. Substantially all employees of the West Baton Rouge Clerk of Court employees 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% (3-3 1/3% for new employees) of their final average salary for each year of credited service, not to exceed 100 per cent of their final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after 55 and receive benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

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

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 9 - PENSION PLAN AND RETIREMENT COMMITMENTS (Continued)

Funding Policy. Under Plan A, members are required by state statute to contribute **8.25%** of their annual covered salary and the West Baton Rouge Clerk of Court is required to contribute at an actuarially determined rate. The current rate is **15.75%** of annual covered payroll. Contributions to the System include one-fourth of one per cent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish.

The contributions requirements of the plan members and the West Baton Rouge Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The West Baton Rouge Clerk of Court's employer contributions to the System under Plan A for the years ended June 30, 2006, 2005 and 2004, were **\$56,783, \$51,323 and \$65,867,** respectively, equal to the required contributions for each year.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The Clerk of Court provides certain continuing health care benefits for its retired employees. Substantially all of the Clerk of Court's employees become eligible for those benefits if they reach normal retirement age while working for the Clerk of Court. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and by the Clerk of Court. The Clerk of Court recognizes the cost of providing retiree health care and life insurance benefits (Clerk of Court's portion of premiums) as an expenditure when paid, which was **\$15,402** for the year ended **June 30, 2006**. Using mortality tables related to single life annuities, the estimated cost to the Clerk of Court over the remaining lives of these retired employees is **\$258,232**.

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$35,909 at **June 30, 2006**, are as follows:

	General Fund
Accounts Payable	\$25,961
Withholdings	9,948
	<hr/>
Total	35,909

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 11 - LEASES

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

NOTE 12 - RISK MANAGEMENT

The Clerk of Court is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Clerk of Court's coverages.

NOTE 13 - LITIGATION, CLAIMS AND CONTINGENCIES

At June 30, 2006, the Clerk of Court is defendant in several pending lawsuits filed in the 18th Judicial District Court. Although the suit are still pending, the Clerk of Court denies any liability and is actively defending its position along with its liability insurance carriers. While the ultimate outcome of the above matters cannot be predicted at this time, it is the opinion of management that the disposition of these matters will not have a material adverse effect on the financial position of the Clerk of Court. It is also the opinion of the Clerk of Court's attorney that the Clerk of Court does not have any reasonable estimated or probable liability using the criteria established under F.A.S.B. Statement 5.

No claims or litigation cost were paid out during the year ended June 30, 2006.

NOTE 14 - ON-BEHALF PAYMENTS FOR EXPENDITURES

Certain operating expenditures of the clerk's office are paid by the West Baton Rouge Parish Council and are not included in the accompanying financial statements, such as facilities, utilities, insurance and office supplies.

REQUIRED SUPPLEMENTAL INFORMATION

WEST BATON ROUGE PARISH CLERK OF COURT
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR YEAR ENDED JUNE 30, 2006

	<u>BUDGET</u>	<u>AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>GAAP BASIS</u>	<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Charges for Services	\$647,500	\$647,500	\$655,266	\$7,766
Licenses and Permits	2,100	2,100	2,876	776
Clerks Supplemental Pay	16,450	16,450	16,450	-0-
Election Refund	1,000	1,000	1,302	302
Investment Income	36,000	36,000	49,577	13,577
Miscellaneous	1,000	1,000	2,459	1,459
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	704,050	704,050	727,930	23,880
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
GENERAL GOVERNMENT				
CURRENT				
Salaries	411,200	411,200	416,395	(5,195)
Fringe Benefits	167,200	167,200	167,992	(792)
Travel	4,200	4,200	3,117	1,083
Operating Services	77,950	77,950	93,451	(15,501)
Supplies	38,500	38,500	36,615	1,885
CAPITAL OUTLAY	5,000	5,000	1,234	3,766
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	704,050	704,050	718,804	(14,754)
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY)				
OF REVENUE OVER				
EXPENDITURES	-0-	-0-	9,126	9,126
FUND BALANCE, July 1	910,379	910,379	910,379	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, June 30	910,379	910,379	919,505	9,126
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

OTHER SUPPLEMENTAL INFORMATION

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

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

September 29, 2006

West Baton Rouge Parish Clerk of Court
Port Allen, Louisiana

I have audited the financial statements of the governmental activities of West Baton Rouge Clerk of Court as of and for the year ended June 30, 2006, and have issued my report thereon dated September 29, 2006. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether West Baton Rouge Parish Clerk of Court's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

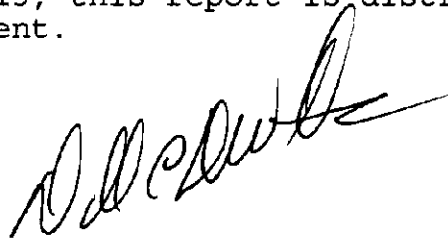
INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered West Baton Rouge Parish Clerk of Court's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over 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.

I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to be "D. C. White", is written diagonally across the page.

WEST BATON ROUGE PARISH CLERK OF COURT
WEST BATON ROUGE PARISH COUNCIL
PORT ALLEN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

FISCAL YEAR	FINDING	CORRECTIVE	PLANNED
REF	INITIALLY	ACTION TAKEN	CORRECTIVE
<u>NO.</u>	<u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>(YES, NO, PARTIALLY)</u>
			<u>ACTION/PARTIAL</u>
			<u>CORRECTIVE</u>
			<u>ACTION TAKEN</u>

NONE

WEST BATON ROUGE PARISH CLERK OF COURT
WEST BATON ROUGE PARISH COUNCIL
PORT ALLEN, LOUISIANA
SUMMARY SCHEDULE OF CURRENT YEARS FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

NONE

WEST BATON ROUGE PARISH CLERK OF COURT
WEST BATON ROUGE PARISH COUNCIL
PORT ALLEN, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

<u>REF</u> <u>NO.</u>	<u>DESCRIPTION</u> <u>OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION</u> <u>PLANNED</u>	<u>NAME OF</u> <u>CONTACT</u> <u>PERSON</u>	<u>ANTICIPATED</u> <u>COMPLETION</u> <u>DATE</u>
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Not Applicable