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**DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1996
With Supplemental Information Schedules**

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedules

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Independent Auditor's Report

HONORABLE O. L. "SONNY" STONE
DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana

I have audited the general purpose financial statements of the DeSoto Parish Clerk of Court, a component unit of the DeSoto Parish Police Jury, as of June 30, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the DeSoto Parish Clerk of Court's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

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DESOTO PARISH CLERK OF COURT

Mansfield, Louisiana
Independent Auditor's Report,
June 30, 1996

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the DeSoto Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued reports dated August 16, 1996, on the DeSoto Parish Clerk of Court's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control structure.

A handwritten signature in black ink, appearing to be 'W. M. ...', written over a horizontal line.

West Monroe, Louisiana
August 16, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1996

	GOVERNMENTAL FUND TYPE - GENERAL FUND	FIDUCIARY FUND TYPE - AGENCY FUNDS	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash and cash equivalents	\$58,548	\$288,730		\$347,278
Receivables	17,779			17,779
Due from Advance Deposit Fund	2,139			2,139
Office furnishings and equipment			\$292,348	292,348
TOTAL ASSETS	<u>\$78,466</u>	<u>\$288,730</u>	<u>\$292,348</u>	<u>\$659,544</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$1,864			\$1,864
Due to General Fund		\$2,139		2,139
Unsettled balances due to others		286,591		286,591
Total Liabilities	<u>1,864</u>	<u>288,730</u>	<u>NONE</u>	<u>290,594</u>
Fund Equity:				
Investment in general fixed assets			\$292,348	292,348
Fund balance - unreserved - undesignated	76,602			76,602
Total Fund Equity	<u>76,602</u>	<u>NONE</u>	<u>292,348</u>	<u>368,950</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$78,466</u>	<u>\$288,730</u>	<u>\$292,348</u>	<u>\$659,544</u>

The accompanying notes are an integral part of this statement

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Licenses and permits - marriage licenses	\$2,200	\$2,288	\$88
Intergovernmental revenues - state funds - clerk's supplemental compensation	9,000	9,927	927
Fees, charges, and commissions for services:			
Court costs, fees, and charges	200,900	210,926	10,026
Fees for recording legal documents	166,000	168,336	2,336
Fees for certified copies of documents	33,970	27,272	(6,698)
Use of copier	41,000	41,693	693
Use of money and property - interest earnings	4,300	4,577	277
Other	24,000	23,933	(67)
Total revenues	<u>481,370</u>	<u>488,952</u>	<u>7,582</u>
EXPENDITURES			
General government - judicial:			
Current:			
Personal services and related benefits	340,440	334,094	6,346
Operating services	90,000	81,956	8,044
Materials and supplies	20,000	16,672	3,328
Travel and other charges	13,000	9,150	3,850
Debt service	800	731	69
Capital outlay	29,000	22,733	6,267
Total expenditures	<u>493,240</u>	<u>465,336</u>	<u>27,904</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(11,870)	23,616	35,486
FUND BALANCE AT BEGINNING OF THE YEAR	<u>52,986</u>	<u>52,986</u>	
FUND BALANCE AT END OF THE YEAR	<u>\$41,116</u>	<u>\$76,602</u>	<u>\$35,486</u>

The accompanying notes are an integral part of this statement.

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana

Notes to the Financial Statements
As of and For the Year Ended 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. The clerk of court is elected for a term of four years.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the DeSoto Parish Police Jury is the financial reporting entity for DeSoto Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which 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 units should be considered part of the DeSoto Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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.

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

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 maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the DeSoto Parish 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 clerk of court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

Governmental Fund Type - General Fund

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

Fiduciary Funds - Agency Funds

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

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

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. General fixed assets provided by the parish police jury are recorded in the general fixed assets account group. Approximately 5 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 95 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets.

Long-term obligations, such as installment purchases and capital leases payable are recognized as a liability of a governmental fund only when due. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

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

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

The modified accrual basis of accounting is used for reporting all governmental and fiduciary fund types. 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 be used to pay liabilities of the current period. The clerk of court uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Recordings, cancellations, court attendance, criminal costs, and other fees, charges and commissions for services, are recorded in the year in which they are earned.

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

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

E. BUDGET PRACTICES

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not utilized in the accounting records.

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Under state law, the clerk may deposit funds within a fiscal agent bank 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 may invest 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. At June 30, 1996, the clerk of court has cash and cash equivalents (book balances) totaling \$347,278, as follows:

Demand Deposits	\$297,278
Time Deposits	<u>50,000</u>
Total	<u>\$347,278</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. Cash and cash equivalents (bank balances) at June 30, 1996, are secured as follows:

Bank Balances	<u>\$376,628</u>
Federal deposit insurance	\$376,628
Pledged securities (uncollateralized)	<u>516,406</u>
Total	<u>\$893,034</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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.

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

G. VACATION AND SICK LEAVE

All employees of the clerk of court's office earn ten days noncumulative vacation leave each year. Vacation leave must be taken during the year earned. The clerk has no formal policy for sick leave.

H. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does 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.

2. RECEIVABLES

The General Fund receivables of \$17,779 as of June 30, 1996, consist entirely of court costs, fees, and charges.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, July 1, 1995	\$269,616
Additions	22,732
Deletions	<u>NONE</u>
Balance, June 30, 1996	<u>\$292,348</u>

4. PENSION PLAN

Substantially all employees of the DeSoto 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.

DESOTO PARISH CLERK OF COURT

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

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 or 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 (504) 293-1162.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the DeSoto 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 DeSoto 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 DeSoto Parish Clerk of Court's contributions to the System for the years ending June 30, 1996, 1995, and 1994, were \$27,965, \$24,261, and \$18,491, respectively, equal to the required contributions for each year.

5. CAPITAL LEASE

The clerk of court records items under capital leases as an asset and a liability in the accompanying financial statements. In December, 1990, the clerk of court entered into a lease purchase agreement for the acquisition of a telephone system for \$6,207. The agreement requires monthly payments of \$146, including interest. The first payment was due on December 5, 1991, with the final payment due on November 5, 1995.

6. CHANGES IN LONG-TERM DEBT

The following is a summary of general long-term debt transactions for the year ended June 30, 1996:

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

Long-term debt at July 1, 1995	\$704
Additions	NONE
Deductions	<u>(704)</u>
Long-term debt at June 30, 1996	<u>NONE</u>

7. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances deposits due others follows:

	Advance Deposit Fund	Registry of Court Fund	Total
Balance, July 1, 1995	\$99,369	\$202,486	\$301,855
Additions	346,857	2,546,645	2,893,502
Reductions	<u>(359,277)</u>	<u>(2,549,489)</u>	<u>(2,908,766)</u>
Balance June 30, 1996	<u>\$86,949</u>	<u>\$199,642</u>	<u>\$286,591</u>

8. LITIGATION AND CLAIMS

The DeSoto Parish Clerk of Court is not involved in any litigation at June 30, 1996, nor is the clerk aware of any unasserted claims.

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

The DeSoto Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the DeSoto Parish Police Jury.

10. CHANGE IN ELECTED OFFICIAL

Effective June 30, 1996, the term of office of Clerk of Court W.A. Alvin Porter, Jr. expired. As a result of elections held in 1995, Clerk of Court O. L. Stone, Jr. assumed office effective July 1, 1996.

SUPPLEMENTAL INFORMATION SCHEDULES

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1996

FIDUCIARY FUND TYPE - AGENCY FUNDS

ADVANCE DEPOSIT FUND

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

REGISTRY OF COURT FUND

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1996

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	<u>\$89,088</u>	<u>\$199,642</u>	<u>\$288,730</u>
LIABILITIES			
Due to General Fund	\$2,139		\$2,139
Unsettled balances due to others	<u>86,949</u>	<u>\$199,642</u>	<u>286,591</u>
TOTAL LIABILITIES	<u>\$89,088</u>	<u>\$199,642</u>	<u>\$288,730</u>

DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 1996

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 1995	<u>\$99,369</u>	<u>\$202,486</u>	<u>\$301,855</u>
ADDITIONS			
Deposits in suits	<u>346,857</u>	<u>2,546,645</u>	<u>2,893,502</u>
Total	<u>446,226</u>	<u>2,749,131</u>	<u>3,195,357</u>
REDUCTIONS			
Clerk's costs (transferred to General Fund)	167,819		167,819
Clerk's costs (transferred to Advance Deposit Fund)		4,314	4,314
Clerk's costs (transferred to Department of Revenue)		2,733	2,733
Deposits settled to:			
Litigants	116,899	2,542,442	2,659,341
Appraisers, curators, and keepers	2,922		2,922
Sheriff	26,689		26,689
Other sheriff and clerk fees	9,960		9,960
Judge's fees	11,545		11,545
Jury	14,005		14,005
Witness, appraisers, keepers, etc.	1,573		1,573
Other reductions	<u>7,865</u>		<u>7,865</u>
Total reductions	<u>359,277</u>	<u>2,549,489</u>	<u>2,908,766</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 1996	<u>\$86,949</u>	<u>\$199,642</u>	<u>\$286,591</u>

**Independent Auditor's Reports Required
by *Government Auditing Standards***

The following independent auditor's reports on compliance with laws, regulations, and contracts, and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditor's Report on Compliance
With Laws, Regulations, and Contracts**

HONORABLE O. L. "SONNY" STONE
DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana

I have audited the general purpose financial statements of the DeSoto Parish Clerk of Court as of June 30, 1996, and for the year then ended, and have issued my report thereon dated August 16, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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

MEMBER AMERICAN
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PUBLIC ACCOUNTANTS

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DESOTO PARISH CLERK OF COURT

Mansfield, Louisiana
Independent Auditor's Report
on Compliance, etc.,
June 30, 1996

This report is intended for the information of the DeSoto Parish Clerk of Court. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be 'V. J. ...', written over a horizontal line.

West Monroe, Louisiana
August 16, 1996

**Independent Auditor's Report
on the Internal Control Structure**

HONORABLE O. L. "SONNY" STONE
DESOTO PARISH CLERK OF COURT
Mansfield, Louisiana

I have audited the general purpose financial statements of the DeSoto Parish Clerk of Court as of June 30, 1996, and for the year in the then ended, and have issued my report thereon dated August 16, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the DeSoto Parish Clerk of Court is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

DESOTO PARISH CLERK OF COURT

Mansfield, Louisiana
Independent Auditor's Report
on Internal Control Structure,
June 30, 1996

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

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of the DeSoto Parish Clerk of Court. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
August 16, 1996