

CADDO PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1996

Introduction

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 has other duties and powers provided by law. The clerk of court is elected for a term of four years by the voters of the parish.

1. Summary of Significant Accounting Policies:

A. Basis of Presentation

The accompanying component unit financial statements of the Caddo Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Parish Commission 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 Commission 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 Commission.
- 2) Organizations for which the Commission does not appoint a voting majority but are fiscally dependent on the Commission.
- 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 clerk of court is fiscally dependent on the Commission, the clerk of court was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Caddo Parish Clerk of Court and do not present information on the Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Special Revenue-Court Reporter Fund

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
-	-	-
302,500	303,308	808
-	-	-
-	-	-
2,250	6,737	4,487
<u>304,750</u>	<u>310,045</u>	<u>5,295</u>
272,921	254,915	18,006
7,200	10,728	(3,528)
-	-	-
-	-	-
-	-	-
<u>280,121</u>	<u>265,643</u>	<u>14,478</u>
24,629	44,402	19,773
-	-	-
(20,825)	(21,232)	(407)
<u>(20,825)</u>	<u>(21,232)</u>	<u>(407)</u>
3,804	23,170	19,366
-	120,107	120,107
<u>3,804</u>	<u>143,277</u>	<u>139,473</u>

CADDO PARISH CLERK OF COURT

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-

BUDGET (CASH BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 1996

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Licenses and permits	28,438	33,371	4,933
Fees, charges, and commissions for services:			
Court costs, fees and charges	1,654,395	1,766,575	112,180
Fees for recording legal documents	746,094	799,510	53,416
Fees for certified copies of documents	158,609	162,592	3,983
Miscellaneous	10,141	14,022	3,881
Use of money and property-interest earnings	<u>173,414</u>	<u>151,598</u>	<u>(21,816)</u>
Total revenues	<u>2,771,091</u>	<u>2,927,668</u>	<u>156,577</u>
<u>Expenditures:</u>			
General government:			
Personal services and related benefits	2,138,117	2,457,022	(318,905)
Operating services	169,752	194,185	(24,433)
Materials and supplies	153,066	173,416	(20,350)
Travel and other charges	174,341	159,997	14,344
Capital outlay	<u>154,591</u>	<u>11,446</u>	<u>143,145</u>
Total expenditures	<u>2,789,867</u>	<u>2,996,066</u>	<u>(206,199)</u>
<u>Excess (deficiency) of revenues over expenditures</u>	(18,776)	(68,398)	(49,622)
<u>Other financing source (use):</u>			
Operating transfers in	18,776	21,232	2,456
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing source (use)	<u>18,776</u>	<u>21,232</u>	<u>2,456</u>
<u>Excess (deficiency) of revenues and other sources over expenditures and other uses</u>	-	(47,166)	(47,166)
<u>Fund balances at beginning of year</u>	<u>-</u>	<u>1,400,787</u>	<u>1,400,787</u>
<u>Fund balances at end of year</u>	<u>-</u>	<u>1,353,621</u>	<u>1,353,621</u>

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

CADDO PARISH CLERK OF COURT

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 1996

	<u>General Fund</u>	<u>Special Revenue- Court Reporter Fund</u>	<u>Total (Memorandum Only)</u>
<u>Revenues:</u>			
Licenses and permits-marriage	41,326	-	41,326
Fees, charges, and commissions for services:			
Court costs, fees and charges	1,753,513	303,308	2,056,821
Fees for recording legal documents	799,510	-	799,510
Fees for certified copies of documents	162,592	-	162,592
Miscellaneous	14,022	-	14,022
Use of money and property-interest income	<u>151,598</u>	<u>6,737</u>	<u>158,335</u>
Total revenues	<u>2,922,561</u>	<u>310,045</u>	<u>3,232,606</u>
<u>Expenditures:</u>			
General government			
Personal services and related benefits	2,457,022	254,915	2,711,937
Operating services	191,731	10,728	202,459
Materials and supplies	173,416	-	173,416
Travel and other charges	159,997	-	159,997
Capital outlay	<u>11,446</u>	<u>-</u>	<u>11,446</u>
Total expenditures	<u>2,993,612</u>	<u>265,643</u>	<u>3,259,255</u>
<u>Excess (deficiency) of revenues over expenditures</u>	(71,051)	44,402	(26,649)
<u>Other financing source (use):</u>			
Operating transfers in	21,232	-	21,232
Operating transfers out	<u>-</u>	<u>(21,232)</u>	<u>(21,232)</u>
Total other financing source (use)	<u>21,232</u>	<u>(21,232)</u>	<u>-</u>
<u>Excess (deficiency) of revenues and other sources over expenditures and other uses</u>	(49,819)	23,170	(26,649)
<u>Fund balances at beginning of year</u>	<u>1,418,438</u>	<u>120,107</u>	<u>1,538,545</u>
<u>Fund balances at end of year</u>	<u>1,368,619</u>	<u>143,277</u>	<u>1,511,896</u>

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

5. Pension Plan: (Continued)

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 Caddo 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 Caddo Parish Clerk of Court's contributions to the system for the years ending June 30, 1996, 1995, and 1994, were \$192,113, \$182,670, and \$139,735, respectively, equal to the required contributions for each year.

6. Post Retirement Benefits:

The Caddo Parish Clerk of Court provides certain health care and life insurance benefits for retired employees. Substantially all of the clerk's employees become eligible for these benefits if they reach normal retirement age while working for the clerk of court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the clerk of court. The clerk of court recognizes the cost of providing these benefits (the clerk's cost of premiums) as an expenditure when the monthly premiums are due, which were \$288,845 for the year ended June 30, 1996. Of this amount, \$10,463 was for retiree benefits.

7. Changes in Agency Fund Balances:

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

	<u>Jury Cost Fund</u>	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Balance, June 30, 1995	162,550	2,206,699	1,658,858	4,028,107
Additions	286,374	3,017,245	1,265,103	4,568,722
Reductions	<u>241,526</u>	<u>3,791,806</u>	<u>1,206,356</u>	<u>5,239,688</u>
Balance, June 30, 1996	<u>207,398</u>	<u>1,432,138</u>	<u>1,717,605</u>	<u>3,357,141</u>

8. Expenditures of the Clerk of Court Paid by the Parish Commission:

The Caddo 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 Caddo Parish Commission.

9. Excess Fund Balance:

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 1996, there was no amount due the parish treasurer as the General Fund's fund balance did not exceed one-half of the revenues of the General Fund for the last year (6-30-96) of the clerk's four-year term of office.

10. Litigation and Claims:

At June 30, 1996, the clerk of court was involved in litigation concerning several matters for which, in the estimation of the legal advisor of the clerk of court, an estimate of the ultimate resolution of the suits cannot be made. However, it is of the opinion of legal counsel that an unfavorable outcome is unlikely in the pending lawsuits.

HEARD, McELROY & VESTAL, L.L.P.

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December 19, 1996

Honorable Curtis A. Warren
Caddo Parish Clerk of Court
Shreveport, Louisiana

Auditor's Report on Compliance with Laws and Regulations

We have audited the financial statements of the Caddo Parish Clerk of Court as of and for the year ended June 30, 1996, and have issued our report thereon dated December 19, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of our tests indicate that, with respect to the items tested, the Caddo Parish Clerk of Court, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Clerk had not complied, in all material respects, with those provisions.

This report is intended for the information of management of the Caddo Parish Clerk of Court and the Office of the Legislative Auditor, State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Heard, McElroy & Vestal, LLP

Honorable Curtis A. Warren
Caddo Parish Clerk of Court
December 19, 1996
Page 2

Our 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 or 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We noted other matters involving the internal control structure and its operation that we have reported to the management of the Caddo Parish Clerk of Court in a separate letter dated December 19, 1996.

This report is intended for the use of management of the Caddo Parish Clerk of Court and the Office of the Legislative Auditor, State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Heard, McElroy & Vestal, LLP

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December 19, 1996

Honorable Curtis A. Warren
Caddo Parish Clerk of Court
Shreveport, Louisiana

Auditor's Report on Internal Control Structure

We have audited the financial statements of the Caddo Parish Clerk of Court as of and for the year ended June 30, 1996, and have issued our report thereon dated December 19, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the Caddo Parish Clerk of Court for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the Caddo 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 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: revenue/receipts, purchase/disbursements, payroll/personnel, budget/budgetary reporting, and fiduciary accounting/reporting.

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

CADDO PARISH CLERK OF COURT
FIDUCIARY FUNDS-AGENCY FUNDS
SCHEDULE 1-COMBINED BALANCE SHEET

JUNE 30, 1996

<u>ASSETS</u>	<u>Jury Cost Fund</u>	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Cash and cash equivalents	<u>207,398</u>	<u>1,432,138</u>	<u>1,717,605</u>	<u>3,357,141</u>
 <u>LIABILITIES</u>				
Unsettled deposits due to others	<u>207,398</u>	<u>1,432,138</u>	<u>1,717,605</u>	<u>3,357,141</u>

CADDO PARISH CLERK OF COURT
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

FIDUCIARY FUNDS-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 that have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawal of the funds can be made only upon order of the court.

Jury Cost Fund

The Caddo Parish Jury Cost Fund was established by court order in November, 1993, to monitor and conserve cash deposits made by litigants in connection with jury trial settings. Withdrawals from the fund are used to pay for subpoenas, jurors, and other costs to administer the fund.

<u>Fiduciary Funds</u>	<u>Account Group-</u> <u>General</u>	<u>Total</u>
<u>Agency</u> <u>Funds</u>	<u>Fixed</u> <u>Assets</u>	<u>(Memorandum</u> <u>Only)</u>
3,357,141	-	4,860,109
-	-	18,365
<u>-</u>	<u>1,069,716</u>	<u>1,069,716</u>
<u>3,357,141</u>	<u>1,069,716</u>	<u>5,948,190</u>
-	-	9,437
<u>3,357,141</u>	<u>-</u>	<u>3,357,141</u>
3,357,141	-	3,366,578
-	1,069,716	1,069,716
<u>-</u>	<u>-</u>	<u>1,511,896</u>
<u>-</u>	<u>1,069,716</u>	<u>2,581,612</u>
<u>3,357,141</u>	<u>1,069,716</u>	<u>5,948,190</u>

1. Summary of Significant Accounting Policies: (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Adjustments:		
Receivables	5,107	-
Payables	<u>(2,454)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>(47,166)</u>	<u>23,170</u>

G. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less.

Under state law, the clerk may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the clerk of court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are ninety days or less, they are classified as cash equivalents.

H. Vacation and Sick Leave

Employees of the clerk's office earn from one to three weeks of annual leave each year, depending on length of service. Annual leave must be used in the year earned. Upon voluntary resignation or retirement, an employee is compensated for annual leave accumulated during the year of resignation or retirement. Sick leave is granted at the discretion of the clerk.

I. Total Columns on Financial Statements

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

2. Cash and Cash Equivalents:

At June 30, 1996, the clerk has cash and cash equivalents totaling \$4,860,109 as follows:

Demand deposits	1,421,523
Petty cash	200
Time deposits and short-term treasury bills	<u>3,438,386</u>
Total	<u>4,860,109</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:

11. Leases:

The clerk of court leases office equipment under operating leases. The minimum annual commitments under noncancelable operating leases are as follows:

	<u>Equipment</u>
Fiscal Year:	
1996-1997	9,593
1997-1998 (end of lease)	<u>4,797</u>
Total	<u>14,390</u>

Rent expense for the year was \$9,593.

CADDO PARISH CLERK OF COURT

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1996

<u>A S S E T S</u>	<u>Governmental Funds</u>	
	<u>General Fund</u>	<u>Special Revenue- Court Reporter Fund</u>
Cash and cash equivalents (Note 2)	1,359,691	143,277
Receivables (Note 3)	18,365	-
Office furnishings and equipment (Note 4)	-	-
Total assets	<u>1,378,056</u>	<u>143,277</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>Liabilities:</u>		
Accounts payable	9,437	-
Unsettled deposits due to others (Note 7)	-	-
Total liabilities	<u>9,437</u>	-
 <u>Fund equity:</u>		
Investment in general fixed assets	-	-
Fund balance-unreserved and undesignated	<u>1,368,619</u>	<u>143,277</u>
Total fund equity	<u>1,368,619</u>	<u>143,277</u>
Total liabilities and fund equity	<u>1,378,056</u>	<u>143,277</u>

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

2. Cash and Cash Equivalents: (Continued)

U. S. Treasury Securities	1,480,140
Federal deposit insurance	400,000
Pledged securities	<u>2,979,769</u>
Total	<u>4,859,909</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 that the fiscal agent has failed to pay deposited funds upon demand.

3. Receivables:

The General Fund receivables of \$18,365 at June 30, 1996, are as follows:

<u>Class of Receivable</u>	
Licenses and permits-marriage	15,082
Fees, charges, and commissions for services-court costs, fees, and charges	<u>3,283</u>
Total	<u>18,365</u>

4. Changes in General Fixed Assets:

A summary of changes in office furnishings and equipment follows:

Balance at June 30, 1995	1,190,863
Additions	11,446
Deletions	<u>(132,593)</u>
Balance at June 30, 1996	<u>1,069,716</u>

5. Pension Plan:

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the system. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% 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 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% of their annual covered salary and the Caddo Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.50%

1. Summary of Significant Accounting Policies: (Continued)

C. 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 of the clerk of court are classified into two categories; governmental (General Fund and Court Reporter Special Revenue Fund), and fiduciary (agency funds). The governmental and fiduciary fund types used by the clerk are described as follows:

Governmental Funds:

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.

Special Revenue-Court Reporter Fund

The Court Reporter Fund accounts for fees collected, as provided by Louisiana Revised Statute 13:962, and for expenditures for the court reporter's salary and commissions transferred to the clerk's General Fund.

Fiduciary Fund Type-Agency Funds

The Advance Deposit, Registry of Court and Jury Cost agency funds 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.

D. Fixed Assets and Long-Term Obligations

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. General fixed assets provided by the parish commission are not recorded within the general fixed assets account group. Approximately 10% of fixed assets are valued at estimated historical costs based on actual historical costs. No depreciation has been provided on general fixed assets. There are no outstanding long-term obligations at June 30, 1996.

E. 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.

1. Summary of Significant Accounting Policies: (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, 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.

Other Financing Source (Use)

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

F. Budget Practices

A proposed budget, prepared on the cash basis of accounting, is published in the official journal at least ten days prior to a public hearing. The public hearing is held at the clerk's office during the month of June for comments from taxpayers. The proposed budget is then legally adopted by the clerk and amended during the year, as necessary. Budgets are 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.

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

The following schedule reconciles the amounts shown as excess of revenues and other sources over expenditures and other uses as shown on Page 4 with the amounts shown on GAAP basis, Page 3:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	(49,819)	23,170

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CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA
JUNE 30, 1996

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.

Release Date SEP 09 1997

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CADDO PARISH CLERK OF COURT

SHREVEPORT, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

HEARD, McELROY & VESTAL, L.L.P.

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MEMBER AMERICAN INSTITUTE

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December 19, 1996

Honorable Curtis A. Warren
Caddo Parish Clerk of Court
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying financial statements of the Caddo Parish Clerk of Court as of June 30, 1996, and for the year then ended. These financial statements are the responsibility of the Caddo Parish Clerk of Court management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Caddo 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.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying other financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Caddo Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Heard, McElroy & Vestal, LLP

OTHER FINANCIAL INFORMATION