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**WASHINGTON STATE CLERK OF COURT
Franklin, Louisiana**

**General Purpose Financial Statements
and Independent Auditor's Reports
An of and for the Two Years Ended June 30, 1996
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. The report is available for public inspection at the State Bookstore of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: MAR 2 5 1997

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana

General Purpose Financial Statements and Independent Auditor's
Report as of and for the Two Years Ended June 30, 1996
with Supplemental Information Schedules

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WASHINGTON PARISH CLERK OF COURT
Franklin, Louisiana
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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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.

ROBERT A. NELSON

CERTIFIED PUBLIC ACCOUNTANT

1715 W. 10TH ST.
SUITE 1000

MONROE, LOUISIANA 70601-1000
(504) 334-1800

MEMBERSHIP OFFICE
100 N. MANSFIELD ST.
SUITE 100

COMPTON, LOUISIANA
MEMBERSHIP ADDRESS: P.O. BOX 88
MONROE, LOUISIANA 70601-0088
(504) 334-1800

ROBERT A. NELSON

MEMBER

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Johnny D. Crain
Washington Parish Clerk of Court
Franklinton, Louisiana

I have audited the accompanying general purpose financial statements of the Washington Parish Clerk of Court, a component unit of the Washington Parish Police Jury, as of and for the two years ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Washington Parish Clerk of Court 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 general purpose financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

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

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements as a whole. The accompanying

supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Washington 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.

Robert A. Halloran

Certified Public Accountant

Monroe, Louisiana

November 5, 1956



Statement A

ACCOUNT GROUPS		TOTAL (NONRECURRING ONLY)
GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
\$ -	\$ -	\$ 898,755.32
-	-	32,817.98
180,553.54	-	180,553.54
-	17,498.20	17,498.20
<u>\$180,553.54</u>	<u>\$17,498.20</u>	<u>\$1,219,622.02</u>
\$ -	\$ -	\$ 2,395.00
-	-	192.68
-	17,498.20	17,498.20
-	-	7,864.51
-	-	826,422.24
<u>-</u>	<u>17,498.20</u>	<u>862,372.63</u>
180,553.54	-	180,553.54
-	-	175,498.08
<u>180,553.54</u>	<u>-</u>	<u>156,053.62</u>
<u>\$180,553.54</u>	<u>\$17,498.20</u>	<u>\$1,219,622.02</u>

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenue, Expenditures and Changes
in Fund Balance - Budget (GASB Basis) and Actual
For The Year Ended June 30, 1986

REVENUE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
License and permits			
Marriage	\$ 12,000.00	\$ 13,428.00	\$ 1,428.00
fees, charges and commissions for services:			
Notarial fees	3,000.00	716.00	(2,284.00)
Recordings	202,000.00	202,691.65	691.65
Elections	45,000.00	45,659.32	659.32
Cancellations	15,000.00	16,128.22	1,128.22
Mortgage Certificates	35,000.00	34,488.00	(512.00)
Certified copies	15,000.00	22,822.50	8,822.50
Court attendance	4,500.00	3,240.00	(1,260.00)
Criminal costs	82,000.00	111,464.37	29,464.37
Civil suits	115,200.00	168,135.84	52,935.84
Miscellaneous income	9,800.00	12,382.24	2,582.24
Use of money and property:			
Interest earnings	9,500.00	8,264.52	(1,235.48)
Total revenues	343,200.00	840,286.16	497,086.16
EXPENDITURES			
General government:			
Administration	281,100.00	337,684.73	(56,584.73)
Recordings and filings	131,900.00	120,483.09	11,416.91
Mortgage certificates	63,900.00	108,282.52	(44,382.52)
criminal and civil	170,900.00	208,098.02	(37,198.02)

(Continued)

The accompanying notes are an integral part of this statement.

WABINGTON PARISH CLERK OF COURT
 Franklinton, 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, 1990

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>EXPENDITURES (CONT'D)</u>			
General government: (cont'd)			
Kioskians	\$ 41,840.00	\$ 15,985.52	\$ 25,854.48
Gifts and successions	50,980.00	50,439.22	540.78
Total expenditures	928,320.00	848,824.18	79,495.82
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(8,878.13)	(8,878.13)
OTHER FINANCING SOURCES			
Capital financing	-	10,157.75	10,157.75
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	1,479.62	1,479.62
FUND BALANCE AT BEGINNING OF YEAR	124,918.48	124,918.48	-
FUND BALANCE AT END OF YEAR	\$124,918.48	\$125,898.08	\$ 979.60

(Over Budget)

The accompanying notes are an integral part of this statement.

WASHINGTON PRISON CLERK OF COURT
Franklinton, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures and Charges
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1994

REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Licenses and permits:			
Marriage	\$ 12,000.00	\$ 11,855.00	\$ (145.00)
Fees, charges and commissions for services:			
Notarial fees	2,500.00	1,140.30	(1,359.70)
Recordings	160,000.00	170,864.48	10,864.48
Elections	22,000.00	40,339.25	18,339.25
Cancellations	10,000.00	14,805.00	4,805.00
Mortgage certificates	20,000.00	24,560.00	4,560.00
Certified copies	10,000.00	10,134.82	134.82
Court attendance	10,000.00	3,288.00	(6,712.00)
Criminal costs	60,000.00	100,227.33	40,227.33
Civil suits	207,700.00	210,481.22	2,781.22
Miscellaneous income	0,000.00	31,187.19	31,187.19
Use of money and property:			
Interest earnings	1,000.00	6,082.36	5,082.36
Total revenues	683,200.00	736,535.61	53,335.61
EXPENDITURES			
General government:			
Administration	294,190.00	319,002.32	24,812.32
Recordings and filings	115,500.00	132,103.38	16,603.38
Mortgage certificates	58,300.00	72,201.80	13,901.80
Criminal and civil	143,200.00	147,798.90	4,598.90

(Continued)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH CLERK OF COURT
 Franklinton, 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, 1995

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>EXPENDITURES</u> (CONT'D)			
General government: (cont'd)			
Elections	\$ 15,350.00	\$ 12,861.00	\$ 2,489.00
Suits and successions	50,200.00	50,361.35	1,161.35
Total expenditures	65,550.00	63,222.35	2,327.65
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(22,879.50)	(22,879.50)
FUND BALANCE AT BEGINNING OF YEAR	127,888.35	127,888.35	-
FUND BALANCE AT END OF YEAR	\$127,888.35	\$105,008.85	\$ (22,879.50)

(Concluded)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended 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 four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Washington 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 Washington Parish Police Jury is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government (Washington Parish Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (1) Appointing a voting majority of an organization's governing body, and
 - (a) the ability of the police jury to impose its will on that organization, and/or
 - (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
- (3) Organizations for which the reporting entity's financial statements would be misleading if facts of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury provides significant financial support, the clerk of court was determined to be a component unit of the Washington 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.

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 relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Funds of the clerk of court are classified into two categories: governmental (General Fund) and fiduciary (Agency Funds). These funds are described as follows:

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:281, is the principal fund of the clerk of court and accounts 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.

Agency Funds

The Advance Deposit, Registry of Court, and Civil Jury 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. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying component unit financial statements have been prepared on the modified accrual basis of accounting. The governmental fund uses the following practices in recording revenues and expenditures.

Revenues

Fees for certified copies, cancellations, mortgage certificates, recording legal documents, and criminal costs are recorded in the year they are earned. Substantially all other revenues are recorded when received.

MONROE PARISH CLERK OF COURT
Franklin, Louisiana
Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures

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

E. BUDGET PRACTICES

The proposed budgets for the fiscal year ended June 30, 1996 was made available for public inspection at the clerk's office on May 31, 1995. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 12 days prior to the public budget hearing. The budget hearing was held at the clerk's office on June 12, 1995. The budget is legally adopted and amended, as necessary, by the clerk. Any appropriations contained in the budget lapse at year end.

Formal budget integration (within the accounting records) is not employed as a management control device during the year; however, periodic budget comparisons are made. Budget amounts included in the accompanying financial statements include the original adopted budget.

F. CASH

Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and time deposits. Under state law, the Monroeton Parish 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 their principal offices in Louisiana.

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed asset account group. Assets under capital leases are recorded at the present value of the minimum lease payments at the inception of the lease. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. COMPENSATED AGENCIES

Employees of the clerk's office earn from 5 to 15 days of vacation each year, depending on length of service. Employees may accrue up to 18 days maximum of vacation leave, and employees are paid for 5 unused days upon termination.

The cost of leave privileges, computed in accordance with GARN Modification Section 530, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

J. TOTAL COLUMN ON STATEMENTS

The total column on the combined balance sheet is captioned Memorandum Only 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.

2. CASH

At June 30, 2008, the Washington Parish Clerk of Court has cash (book balances) totaling \$998,755.31 as follows:

Cashier's accounts	\$ 239,934.92
Interest bearing demand deposits	334,483.47
Time deposits	<u>424,336.92</u>
Total	<u>\$ 998,755.31</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.

WASHINGTON PRISON CLERK OF COURT
FRASHELTON, LOUISIANA
Notes to the Financial Statements (continued)

2. CASE (continued)

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. At June 30, 1994 the clerk has \$1,912,983.48 in deposits (collected bank balances). These deposits are secured by \$222,847.82 of Federal Deposit Insurance, and \$688,128.48 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 18:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The General Fund receivables of \$22,817.98 at June 30, 1994, are as follows:

Accounts receivable:	
criminal cost	\$ 4,858.35
court attendance	326.00
fees for recording legal documents	10,422.00
Certified copies of legal documents	4,011.00
cancellations	828.59
Mortgage certificates	1,816.00
Miscellaneous	<u>287.13</u>
Total	<u>\$22,817.98</u>

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Notes to the Financial Statements (continued)

4. PENSION PLAN

Plan Description. Substantially all employees of the Washington 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 60 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11783 Bryckstone Avenue, Suite 81, Baton Rouge, Louisiana 70818, or by calling (504)293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Washington Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.98 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Washington Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 12:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the

WASHINGTON PARISH CLERK OF COURT
Franklin, Louisiana
Notes to the Financial Statements (continued)

4. PENSION PLAN (continued)

valuation for the prior fiscal year. The Washington Parish Clerk of Court's contributions to the System for the years ending June 30, 1998, 1999, and 2000, were \$44,805.29, \$39,494.98, and \$28,679.80, respectively, equal to the required contributions for each year.

5. OTHER POSTEMPLOYMENT BENEFITS

Under the provisions of Louisiana Revised Statute 13:783, the clerk is authorized to contract separately or through the insurance committee that administers the clerk's insurance fund to obtain various insurance coverages for the clerk, employees of the clerk, and their dependents. The clerk or any employee that retires under the clerk's court retirement program may elect to continue insurance coverage. The Washington Parish Clerk of Court provides 100 percent of the cost of health and life insurance for its regular active employees and 25 percent of the cost of elective dependent coverage. The clerk provides 50% of the cost of health and life insurance for retired employees and 25% of the cost of elective dependent coverage. Retired employees become eligible for these benefits if they reach normal retirement age while working for the clerk of court. The total employee contributions are recognized as expenditures monthly as premium payments are made by the clerk to the Louisiana Clerks of Court Association. Post employment benefits for three retired employees cost \$3,254.68 and \$5,385.27 for the years ended June 30, 1998 and 1999, respectively. There were no changes in benefit provisions during the two years ended June 30, 1999.

6. COMPENSATED ABSENCES

At June 30, 1999, employees of the clerk of court have accumulated and vested \$3,054.51 of employee leave benefits, computed in accordance with GASB Codification section 505. Of this amount, none is recorded in the general long-term obligations account group since the total liability can be reasonably expected to be paid from current resources.

WASHINGTON PARISH CLERK OF COURT
 Franklin, Louisiana
 Notes to the Financial Statements (continued)

3. LEASES

The clerk of court records items under capital leases as an asset and an obligation in the accompanying financial statements. Capital lease obligations for equipment totaled \$17,458.28 at June 30, 1996.

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1996:

<u>Fiscal Year</u>	<u>Total</u>
1996 - 1997	\$ 6,786.34
1997 - 1998	6,356.08
1998 - 1999	3,232.84
1999 - 2000	<u>2,424.98</u>
Total minimum lease payments	\$18,799.24
Less: Amount representing interest	<u>1,341.36</u>
Present value of net minimum lease payments	<u>\$17,458.28</u>

The clerk of court also has an operating lease for automotive equipment. The minimum annual commitments under this noncancelable operating lease is as follows:

<u>Fiscal Year</u>	
1996 - 1997	\$ 6,386.44
1997 - 1998	<u>2,432.34</u>
	<u>\$ 8,818.78</u>

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Notes to the Financial Statements (continued)

8. CHANGES IN AGENCY FUND UNSETTLED DEPOSITS

A summary of changes in agency fund unsettled deposits follows:

	Agency Funds			Total
	Civil Duty Fund	Advance Deposit Fund	Registry of Court Fund	
Unsettled Deposits at Beginning of Year	\$1,302,000	\$112,625.89	\$482,846.20	\$1,897,472.09
Additions- 7/1 6/30/88	25,100.50	441,347.34	87,579.34	554,027.18
Receipts- 7/1 6/30/88	(20,533.87)	(484,286.84)	(8,579.15)	(513,400.86)
Subtractions- 7/1 6/30/88	20,704.58	511,545.40	150,890.81	683,140.79
Reductions- 7/1 6/30/88	(20,704.58)	(283,820.72)	(23,887.20)	(528,412.50)
Unsettled Deposits at End of Year	\$1,302,000	\$112,625.89	\$482,846.20	\$1,897,472.09

9. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Equipment Under Capital Lease Impairments		Furniture & Equipment	Total
	Capital Lease	Impairments		
Balance July 1, 1988	\$20,823.00	\$	\$12,420.25	\$33,243.25
Additions- 7/1 6/30/88	-	18,074.43	6,278.27	24,352.70
Reductions- 7/1 6/30/88	-	-	(1,584.20)	(1,584.20)
Additions- 7/1 6/30/88	80,257.75	-	26,442.00	106,700.00
Reductions- 7/1 6/30/88	-	-	(12,800.20)	(12,800.20)
Balance June 30, 1989	\$101,080.75	\$18,074.43	\$26,756.02	\$145,911.20

10. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

A summary of changes in general long-term obligations follows:

WASHINGTON PARISH CLERK OF COURT
 Franklin, Louisiana
 Notes to the Financial Statements (continued)

10. CHANGES IN GENERAL LONG-TERM OBLIGATIONS (continued)

	Capital Leases (Note 8)
Long-term obligations payable at July 1, 1994	\$ 19,679.33
Additions - Y/E 6/30/98	-
Reductions - Y/E 6/30/98	(5,399.54)
Additions - Y/E 6/30/98	18,357.35
Reductions - Y/E 6/30/98	<u>(2,685.34)</u>
Long-term obligations payable at June 30, 1994	<u>\$ 12,488.20</u>

11. EXCESS FUND BALANCE

Louisiana Revised Statute 13:195 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, 1994, there was no amount due the parish treasurer as the General Fund's fund balance at June 30, 1994, did not exceed one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office.

12. EXPENDITURES OF THE CLERK OF COURT
 PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the clerk's office are paid by the parish police jury and are not included in the accompanying financial statements. Also, the clerk's office is located in the Washington Parish Courthouse. The upkeep and maintenance of the courthouse is paid by the Washington Parish Police Jury.

WARRINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and for the Two Years Ended June 30, 1996

FINANCIAL FUNDS - AGENCY FUNDS

ADVANCE DEPOSIT FUND

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:482, 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.

CIVIL JURY FUND

The Civil Jury Fund was established by the judges of the 6th District. This fund is used to accumulate advance civil court jury costs. Jurors are paid only after verification of court attendance from minute clerk records.

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 FIDUCIARY FUNDS - AGENCY FUNDS

Combining Balance Sheet, June 30, 1996

	CIVIL JURY	ADVANCE DEPOSIT	REGISTRY OF COURT	TOTAL
ASSETS				
Cash	\$ 1,665.82	\$347,531.13	\$487,235.29	\$836,432.24
TOTAL ASSETS	<u>\$ 1,665.82</u>	<u>\$347,531.13</u>	<u>\$487,235.29</u>	<u>\$836,432.24</u>
LIABILITIES				
Unsettled deposits	\$ 1,665.82	\$347,531.13	\$487,235.29	\$836,432.24
TOTAL LIABILITIES	<u>\$ 1,665.82</u>	<u>\$347,531.13</u>	<u>\$487,235.29</u>	<u>\$836,432.24</u>

WASHINGTON PRISON CLERK OF COURT
Franklinton, Louisiana
FINANCIAL FUNDS - AGENCY FUNDS

Schedule of Changes in Unsettled Deposits
For the Year Ended June 30, 1966

	CIVIL JURY	ADVANCE DEPOSIT	RECEIPTS OF COURT	TOTAL
<u>UNSETTLED DEPOSITS AT BEGINNING OF YEAR</u>	\$ 1,465.42	474,774.37	2441,332.24	1707,572.03
<u>ADDITIONS</u>				
Notes, receivables and interest earned on investments	-	531,185.48	158,890.81	790,076.29
Transfers	20,704.08	270,704.08	-	2.08
Total Additions	20,704.08	801,889.56	158,890.81	790,078.29
<u>REDUCTIONS</u>				
Clerk's fees				
Incurred in General Fund	7,144.28	341,808.54	185.24	360,518.06
Shirley's fees	6,232.48	51,164.53	-	57,397.01
Attorney, copier and notary fees	3,155.75	1,338.80	-	4,494.55
Miscellaneous, keepers, appraisers, etc.	-	8,484.26	-	8,484.26
Stenographers fees	-	14,794.08	-	14,794.08
Janitor fees	5,218.54	-	-	5,218.54
Fees charged to Judicial				
Expense fund	-	16,434.56	-	16,434.56
Fees charged to Judicial				
Competition fund	-	20,890.25	-	20,890.25
Police Jury	-	4,308.77	-	4,308.77
Refunds-payments	-	-	232,622.62	232,622.62
Total Reductions	20,704.08	483,126.67	232,807.86	736,638.61
<u>UNSETTLED DEPOSITS AT END OF YEAR</u>	\$ 1,465.42	232,531.13	2483,271.22	2717,267.77

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
FINANCIAL FUNDS - AGENCY FUNDS

Schedule of Changes in Unsettled Deposits
For the Year Ended June 30, 1961

	CIVIL JURY	ADVANCE DEPOSIT	REGISTRY OF COURT	TOTAL
<u>UNSETTLED DEPOSITS AT BEGINNING OF YEAR</u>	\$ 1,500.00	430,405.00	442,840.00	974,745.00
ADDITIONS				
Setts, successions and interest accrued on settlements	-	448,734.33	87,526.34	536,260.67
Treasurers	23,109.33	231,109.55	-	-
Total Additions	23,109.33	679,843.88	87,526.34	790,480.55
DEDUCTIONS				
Clerk's cost (transferred to General Fund)	6,688.75	316,036.70	-	322,725.45
Sheriff's fees	6,933.75	42,934.35	-	49,868.10
Attorney, witness and jury fees	-	6,432.44	-	6,432.44
Witnesses, depots, appraisers, etc.	3,430.88	3,486.86	-	6,917.74
Stenographers fees Jurors fees	3,942.40	7,727.84	-	11,670.24
Fees transferred to Judicial Expense Fund	-	16,860.00	-	16,860.00
Fees transferred to Judges'	-	16,932.00	-	16,932.00
Competition Fund	-	19,885.00	-	19,885.00
Police Jury	3,384.82	-	-	3,384.82
Refunds on claims	-	-	6,232.13	6,232.13
Total Deductions	23,437.72	618,473.69	6,232.13	648,143.54
<u>UNSETTLED DEPOSITS AT END OF YEAR</u>	\$ 1,562.28	819,376.19	483,334.21	1,464,272.68

ROBERT A. NELSON

INDEPENDENT PUBLIC ACCOUNTANT

ROBERT A. NELSON

P.O. BOX 10

MONROE, LOUISIANA 70001

MONROE, LOUISIANA 70001

MONROE, LOUISIANA 70001

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

MEMBER, LOUISIANA BOARD OF
ACCOUNTANCY

MEMBER, AMERICAN SOCIETY OF
PUBLIC ACCOUNTANTS
MEMBER, LOUISIANA BOARD OF
ACCOUNTANCY

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Johnny D. Crain
Washington Parish Clerk of Court
Franklin, Louisiana

I have audited the accompanying general purpose financial statements of the Washington Parish Clerk of Court as of and for the two years ended June 30, 1996 and have issued my report thereon dated November 5, 1996.

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.

The management of the Washington 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 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 recorded 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.

In planning and performing my audit of the general purpose financial statements of the Washington Parish Clerk of Court as of and for the two years 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.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following reportable condition that I believe to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the Washington Parish Clerk of Court as of and for the two years ended June 30, 1996.

SEGREGATION OF DUTIES

The size of the Washington Parish Clerk of Court operations and the limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control. However, to employ such controls may not be cost beneficial.

I also noted other matters involving the internal control structure and its operations that I have reported to the management of the Washington Parish Clerk of Court in a separate letter dated November 5, 1996.

This report is intended for the information of the Washington Parish Clerk of Court, its management, and the Office of the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Robert A. Carlson
Certified Public Accountant

Monroe, Louisiana
November 5, 1996

ROBERT A. NELSON

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 100

117 N. GARDNER ST.

MONROE, LOUISIANA 70001-1000

PHONE 337-335-1171

COMMERCIAL OFFICE

SUITE 200

SUITE 200

MONROE, LOUISIANA 70001

PHONE 337-335-1171

FAX 337-335-1171

**INDEPENDENT AUDITOR'S REPORT OF COMPLIANCE WITH
LAW AND REGULATIONS BASED ON AN AUDIT
OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Johnny D. Crain
Washington Parish Clerk of Court
Franklinton, Louisiana

I have audited the general purpose financial statements of the Washington Parish Clerk of Court as of and for the two years ended June 30, 1996, and have issued my report thereon dated November 5, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I 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 Washington Parish Clerk of Court is the responsibility of the Clerk of Court management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the clerk's compliance with certain provisions of laws, regulations, contracts, and grants. 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 the following instance of noncompliance that is required to be reported under GOVERNMENT Auditing Standards.

BUDGET REQUIREMENTS

Budget requirements applicable to the Washington Parish Clerk of Court are stipulated in Louisiana Revised Statutes 39:1301-1314. For 1994 and 1995, there was no budget message; the budget did not include estimated beginning and end of year fund balances; there was no notice of certification of completion of all action necessary to adopt the budget; and the budget was not properly amended when total actual expenditures exceeded total budgeted expenditures by five percent or more. For 1996, there was no evidence that the proposed budget, notice of public hearing and

availability for public inspection was published and there was no budget adoption instrument.

I noted certain immaterial instances of noncompliance that I have reported to the Clerk of Court of Washington Parish in a separate letter dated November 5, 1966.

This report is intended for the information of the Washington Parish Clerk of Court, its management and the Office of the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Robert A. Nelson

Certified Public Accountant

Monroe, Louisiana

November 5, 1966

ROBERT A. NELSON

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 200

NEW ORLEANS, LA

PHONE (504) 586-0000 / 586-0001

FAX (504) 586-0001

MEMBER SOCIETY OF

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER IMA

MEMBER AMERICAN INSTITUTE OF

CERTIFIED FINANCIAL PLANNERS

ISSUE NO. 1988

ROBERT A. NELSON

CPA

MEMBER SOCIETY OF CPAs
MEMBER OF ACCOUNTING FIRM

November 5, 1988

Honorable Johnny D. Crain
Washington Parish Clerk of Court
Franklin, Louisiana

In planning and performing my audit of the general purpose financial statements of the Washington Parish Clerk of Court as of and for the two years ended June 30, 1988, I considered the Washington Parish Clerk of Court's internal control structure to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit I became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes my comments and suggestions regarding those matters. I previously reported on the Washington Parish Clerk of Court's internal control structure and compliance with laws and regulations in my reports dated November 5, 1988. This letter does not affect my report dated November 5, 1988, on the financial statements of the Washington Parish Clerk of Court.

I will review the status of these comments during my next audit engagement. I have already discussed many of these comments and suggestions with various personnel, and I will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



ROBERT A. NELSON

MEMORANDUM

Filing Paid Invoices

Currently all paid invoices are filed together by the month in which they are paid. To find a particular invoice, one must look through all the invoices for an entire month. I suggest that all paid invoices be filed alphabetically by vendor name.

Accounts Receivable And Classification of Expenses

As June 30, 1994 accounts receivable charges were not always properly classified. Office personnel should group cash and charge transactions as reported in the monthly distribution journal into the appropriate general ledger account categories before sending the information to the outside CPA for processing. All payments on accounts receivable should be credited directly to the general ledger accounts receivable balance.

Classification of Expenditures

During my audit, I noted that expenditures are not classified in a consistent manner. For example, several payments for fixed assets and capital lease obligations were recorded as material and supplies. All expenditures should be consistently classified into the appropriate general ledger account.

Monthly Review of External CPA's Reports

Currently the external CPA receives all bank statements directly from the bank and prepares all monthly bank reconciliations. He also records all salary fund cash receipts and disbursements, produces a general ledger trial balance and provides various other services as they are needed. It is my understanding that these reports are retained by the external CPA until it is time to do the audit every two years. I recommend that copies of these reports be obtained by the Clerk of Court each month and that the reports be reviewed for proper account classifications and balances by the appropriate client personnel.

Investment of Excess Cash

I believe the Clerk of Court could benefit from reducing the amount of cash being maintained in noninterest-bearing operating accounts. For example, the salary fund checking account had an average book balance of approximately \$146,000 during the year ended June 30, 1994. Only minimum balances required for day-to-day operations need be kept in operating accounts, and amounts not needed for operations may be invested on a short-term basis. Effective cash management can increase the return earned on the Clerk of Court's resources.

Outstanding Checks

The Civil Jury checking account and the Advance Deposit Fund No. 4 checking account bank reconciliations list several checks which have been outstanding for over two years. The status of these old checks should be investigated and appropriate action should be taken to clear these checks off the bank reconciliations.

Advance Deposit Fund

The ending balance on the monthly computer "Balance sheet" is not reconciled to the end of month reconciled bank balance. Although, the computer system includes manual checks on the end of day reports, it does not include manual checks on the end of month reports. As a result, the ending balance on the monthly computer "Balance sheet" does not agree with the reconciled cash balance at the end of the month and no manual reconciliation is done. The computer system should be changed to include manual checks to the end of month reports. The ending balance on the computer "Balance sheet" should agree with or be reconciled to the reconciled cash balance at the end of each month.

In addition, the computer system cannot produce a report for all open suits showing suit number, name, activity, and suit balance at the end of the year. As a result, there is no available supporting detail for total unsettled deposits in the Advance Deposit Fund and no way to determine if the sum of the individual suit balances agrees with total unsettled deposits at the end of the year. The software vendor, who sells and maintains the software for the Washington Parish Clerk of Court and approximately fifty-five other clerks of court in Louisiana, stated that none of the other clerks of court had requested this type report. I recommended that the computer software be changed so that a report with the above suit detail can be obtained at least annually and that the total of this report be reconciled to unsettled deposits at the end of each year.

General Fixed Assets

The clerk maintains a schedule of fixed assets which includes the description of the asset, identifying tag number, date acquired, beginning balance, cost of additions and deletions and ending balance.

During my audit I noted some low cost items that were classified as capital expenditures. The Clerk should establish a level of materiality for capital expenditures. Items costing below this established minimum should not be recorded as a capital expenditure no matter how long their estimated useful life.

General fixed assets should include all assets used in the Clerk's operations that have an estimated useful life longer than one year. In the period under audit, there were substantial improvements made to the office facilities of the Clerk of Court that were not on the fixed asset schedule.

I also found some items whose cost differed from the amount on the fixed asset schedule. The cost of fixed assets should include all costs (sales tax, freight, installation costs, etc.) necessary to bring the asset to its location in working condition.

While observing fixed assets, we found several items with no tag number. A physical inventory should be made at least annually of all fixed assets. The inventory should include the tag number, location, description, date acquired and the cost of the item as recorded in the accounting records.

Finally, I recommend that all capital expenditures (general fixed asset acquisitions) be classified in a separate general ledger account. The yearly total of this account should equal the yearly additions on the schedule of fixed assets.

FINANCIAL ASSET COMMENTS

Local Government Budget Act

All provisions of the Local Government Budget Act are not being followed. See report on compliance with laws and regulations.

Interfund Receivables and Payables

All interfund receivables and payables have been cleared as of June 30, 1996.

Clerk's Supplemental Compensation Fund

Receipts from the Clerk's Supplemental Compensation Fund are now being classified in a consistent manner.

Salary - Clerk Account

Salary payments to the clerk are now being properly classified.

Equipment Coding

See management letter comment above.

Reducing Misclassifications

While the number of misclassifications appear to have been reduced, there is room for additional improvement. See management letter comment above.

Computing Unused Vacation

Unused vacation and sick leave time is now being properly computed.