

B. Temporary Funds Debt of Credit
 Companies, Limited

COMBINED FINANCIAL STATEMENTS - ALL FUNDS-TREASURY AND ACCOUNTING OFFICES

June 30, 1995

	Governmental Fund Type - General Fund	Enterprise Fund Type - Water Utility	Special Revenue Fund Type - Library	Capital Fund Type - Library	Total Enterprise Fund Type
Assets					
Cash and cash equivalents	\$ 166,319	\$ 1,504,413	\$ -	\$ -	\$ 1,670,732
Receivables	64,433	-	-	-	64,433
Due from other funds (Deposit fund)	24,219	-	-	-	24,219
Due from the Treasurer's Funds Policy Day	22,894	-	-	-	22,894
Prepaid expenditures	1,008	-	-	-	1,008
Prepaid and Improvements	-	-	-	1,146,497	1,146,497
Accounts receivable provided for retirement of general long-term debt	-	-	-	181,261	181,261
Total Assets	\$ 280,863	\$ 1,504,413	\$ -	\$ 1,146,497	\$ 2,931,773
Liabilities and Fund Equity					
Accounts payable	\$ 2,399	\$ -	\$ -	\$ -	\$ 2,399
Accrued interest	2,399	-	-	-	4,798
Accrued salaries	14,008	-	-	-	14,008
Due to others	44	-	-	-	44
Payroll taxes payable	-	24,219	-	-	24,219
Due to general fund	-	1,000,000	-	-	1,000,000
Unamortized deposits	-	-	-	18,008	18,008
Contingent liabilities payable	-	-	-	89,232	89,232
Contingent under capital issues	-	-	-	181,261	181,261
Total Liabilities	\$ 14,840	\$ 1,024,219	\$ -	\$ 181,261	\$ 2,240,320
Fund Equity					
Investment in general fund assets	-	-	-	-	1,946,451
Total Fund Equity	\$ 266,023	\$ 480,194	\$ -	\$ -	\$ 746,217
Total Liabilities and Fund Equity	\$ 41,863	\$ 1,024,413	\$ -	\$ 181,261	\$ 2,987,737

The accompanying notes are an integral part of this statement.

St. Tammany Parish Clerk of Court
Covington, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND

For the Year Ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Marriage licenses	\$ 24,000	\$ 23,737	\$ (1,263)
Fees, charges and commissions for services:			
Court costs, fees, and charges	1,280,500	1,201,991	(78,509)
Fees for recording legal documents	1,474,000	1,537,091	63,091
Fees for certified copies	489,510	480,234	(9,276)
Other	35,600	37,378	1,778
Use of money and property- interest earnings	<u>180,000</u>	<u>113,455</u>	<u>(66,545)</u>
Total revenues	<u>3,483,610</u>	<u>3,393,832</u>	<u>(89,778)</u>
EXPENDITURES			
General government:			
Administration	343,735	338,404	(5,331)
Recordings and filings	788,735	850,938	(62,173)
Mortgage certificates	544,675	580,074	(35,400)
Civil suits and probate	1,032,667	1,025,779	6,888
Criminal suits and minutes	644,800	639,271	5,529
Elections	77,900	75,457	2,443
Accounting and reports	<u>245,882</u>	<u>245,588</u>	<u>294</u>
Total expenditures	<u>5,678,201</u>	<u>5,769,527</u>	<u>(91,326)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (124,592)</u>	(113,745)	<u>\$ (10,847)</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>714,187</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 400,442</u>	

The accompanying notes are an integral part of this statement.

St. Tammany Parish Clerk of Court
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Tammany 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. The more significant of the government's accounting policies are described below.

1. Reporting Entity

As provided by Article V, Section 22 of the Louisiana Constitution of 1974, the Clerk serves a four-year term as the ex-officio notary public, the recorder of conveyances, mortgages, and can appoint deputies with duties and powers provided by law, with the approval of the district judge.

For financial reporting purposes, the Clerk includes all funds, account groups, and activities, that are within the oversight responsibility of the Clerk as an independently elected parish official.

The Clerk is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, and the receipt and disbursement of funds. Accordingly, the Clerk is fiscally independent and a separate reporting entity. Certain units of local government, over which the Clerk exercises no oversight responsibility, such as the Parish Police Jury, Parish School Board, other independently elected parish officials, and municipalities within the Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk.

2. Fund Accounting

The Clerk 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. An account group, on the other hand, 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.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1986

NOTE N - CONTINGENT LIABILITIES

From time to time, the Clerk is involved as a defendant in actual or threatened litigation which is not covered by insurance. At June 30, 1986, there were no pending or threatened claims which, in the opinion of the Clerk's legal advisers, would have a material adverse effect on the financial statements, should such claims be settled in favor of the plaintiffs.

NOTE O - EXPENDITURES OF THE CLERK OF COURT REQUIRED TO BE PAID BY THE PARISH POLICE JURY

Louisiana R.S. 13:704 requires the Police Jury to provide the Clerk with all necessary office furniture, equipment, and record books. During the year ended June 30, 1986, as well as for several years prior thereto, items provided by the Police Jury have been limited to certain office and storage space and utilities.

In the accompanying financial statements, the value of materials, supplies, and services provided by the Police Jury are not reflected. In addition, no recognition has been given for the amount, if any, which may be recoverable for materials and items not provided.

NOTE P - EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every five 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 her term of office. At June 30, 1986, there was no amount due the Parish Treasurer because the General Fund's fund balance did not exceed one-half of the revenues of the Clerk's last year of office.

NOTE Q - CLERK'S COMPENSATION

The Clerk's compensation for the year ended June 30, 1986, as established by law for salary, statutory allowance, and cost-of-living increases was \$62,951, \$8,387 and \$2,400, respectively.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE K - PENSION PLAN

Plan Description. Substantially all employees of the Clerk's office are members of the 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 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, 11746 Brookstone Avenue, Suite 111, Baton Rouge, Louisiana 70816, or by calling (504) 299-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the St. Tammany Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.58 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 St. Tammany Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statutes 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 St. Tammany Parish Clerk of Court's contributions to the System for the years ending June 30, 1996, 1995, and 1994 were \$243,858, \$232,204, and \$152,888, respectively, equal to the required contributions for each year.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE G - COMPENSATED ABSENCES

At June 30, 1996, employees of the Clerk of Court have accumulated and vested \$93,508 of employee leave benefits. This amount is recorded within the general long-term debt account group.

NOTE H - CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the changes in general long-term obligations for the year ended June 30, 1996:

	Balance June 30, 1995	Additions (Deductions)	Balance June 30, 1996
Compensated absences	\$ 64,966	\$ 24,963	\$ 89,929
Equipment obligations	2,947	(2,947)	-
Capital lease	<u>179,538</u>	<u>183,182</u>	<u>362,720</u>
	<u>\$ 247,451</u>	<u>\$ 185,198</u>	<u>\$ 432,649</u>

NOTE I - INTERFUNDED TRANSACTIONS

Individual balances due from/to other funds at June 30, 1996 consisted of fees in the amount of \$25,209 charged by the General Fund to the Agency Fund for services performed in maintaining advance deposit accounts.

NOTE J - RISK MANAGEMENT

The Clerk of Court is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Clerk, along with other Clerks of Court in the State of Louisiana, formed the Clerks of Court Self-Insurance Association Fund (CSIAF). It is a public entity risk pool currently operating as a common risk management and insurance program for 38 member Clerks of Court. The Clerks pay an annual premium to CSIAF for its general insurance coverages. The Articles of Association of the CSIAF provides that CSIAF will be self-insuring through reinsurance. The Clerk pays claims, in excess of its deductible, up to a maximum limit of \$20,000 for each insured event. The CSIAF will maintain reinsurance in the amount of \$500,000 for each insured event. During the year ended June 30, 1996, no claims were made against the St. Tammany Parish Clerk of Court for risks covered by the CSIAF.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Total Column on Balance Sheet

The total column on the general purpose financial statements is captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - CASH AND CASH EQUIVALENTS

At June 30, 1996, the Clerk of Court has cash and cash equivalents (bank balances) totaling \$3,861,489 as follows:

petty cash	\$ 273
interest-bearing demand deposits	464,908
Time deposits	1,639,800
Savings deposits	<u>1,752,508</u>
Total	<u>\$ 3,861,489</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the vaulting 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. At June 30, 1996, the Clerk has \$4,313,617 in deposits (collected bank balances). These deposits are secured from risk by \$680,000 of federal deposit insurance and \$3,713,617 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAS Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAAS Statement 3, Louisiana Revised Statute 19:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE C - RECEIVABLES

The receivables of \$30,423 at June 30, 1996 consisted of the following:

Criminal costs	\$ 17,133
Interest	3,583
Court attendance	1,175
Reconciliation	8,084
Miscellaneous	<u>2,428</u>
	<u>\$ 30,423</u>

The Clerk considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

NOTE D - DUE FROM ST. TAMMANY PARISH POLICE JURY

At June 30, 1996, the St. Tammany Parish Police Jury was indebted to the Clerk of Court in the amount of \$22,996 for unpaid recording fees. The balance is reduced monthly by the Police Jury as it pays certain expenditures related to shared computer fees on behalf of the Clerk of Court.

NOTE E - FIXED ASSETS

The following is a summary of changes in the general fixed asset account group during the fiscal year:

	Balance June 30, 1995	Additions	Reductions	Balance June 30, 1996
Office equipment and furniture	\$ 565,638	\$ 163,287	\$ 88,696	\$ 1,041,229
Automated rec. equipment	24,249			24,249
Software	131,089			131,089
Building improvements	204,433			204,433
Equipment leased under capital leases	<u>345,580</u>			<u>345,580</u>
Total	<u>\$ 1,167,889</u>	<u>\$ 163,287</u>	<u>\$ 88,696</u>	<u>\$ 1,386,421</u>

Honorable Madeline Primm
St. Tammany Parish Clerk of Court

We considered these instances of noncompliance in forming our opinion on whether the June 30, 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated October 28, 1996, on those general purpose financial statements.

This report is intended for management and others within the organization as well as the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Smith, Havel & Associates, L.L.C.

October 28, 1996

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Basis of Accounting (continued)

Expenditures

Generally, expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred. Compensated absences are recognized as expenditures when leave is actually taken or when employees are paid for accrued leave upon termination. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

4. Budget and Budgetary Accounting

Fiscal budget integration is employed as a management control device during the year for the General Fund. Budget amounts included on the accompanying financial statements include the original adopted budget and all subsequent amendments. The proposed budget for the 1995 fiscal year was made available for public inspection at the Clerk's office on May 25, 1995. The proposed budget, prepared on the accrual basis of accounting, was published in the official journal 30 days before the public 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. All appropriations lapse at year end.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

6. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (continued)

The Clerk's fund types have been classified into two categories: governmental (General Fund) and fiduciary (Agency Funds). These funds are described as follows:

Governmental Fund

General Fund - The General Fund as provided by Louisiana Revised Statute 15:381, 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.

Fiduciary Fund

Agency Funds - The Advance Deposit and Registry of Court agency funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are custodial in nature (assets equal liabilities) and do not involve management of results of operations. The Advance Deposit Fund is used to account for advance deposits in suits filed by litigants. The Registry of Court Fund is used to account for funds held by order of the court until judgment is rendered by the judiciary.

3. 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 technique applied. All governmental fund are accounted for using the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

General Fund revenues such as recording, cancellations, certified copies, election, certificates, marriage licenses, criminal costs, court attendance fees and interest revenues are recorded when they become receivable and available. Fees collected and held by the Advance Deposit and Registry of Court Agency Funds on behalf of the Clerk's General Fund also are recognized as revenues. Substantially all other revenues are recorded when received.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

8. 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. All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. No depreciation has been provided on general fixed assets.

9. Compensated Absences

Employees accrue vacation leave at the rate of 10 to 25 days per year, according to years of service with the Clerk's office. A maximum of 5 days of vacation leave can be carried forward to the succeeding year. Vacation leave in excess of the carry forward amount is forfeited. Employees are allowed to carry forward unused sick leave from year to year. Upon termination employees are paid for unused sick leave at the discretion of the Clerk. At retirement, employees are paid for all accrued sick leave.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is to be reported as an expenditure and a fund liability of the General Fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are to be reported in the general long-term obligation account group.

10. 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.

Smith, Hurval & Associates, L.L.C.

AN LIMITED LIABILITY COMPANY

Chartered Public Accountants

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INDEPENDENT AUDITORS' REPORT

Honorable Maline Fritts
St. Tammany Parish Clerk of Court
Covington, Louisiana

We have audited the accompanying general purpose financial statements of the St. Tammany Parish Clerk of Court as of June 30, 1996 and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the management of the St. Tammany Parish Clerk of Court. 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 and Government Auditing Standards issued by the Comptroller General of the United States. These 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Parish Clerk of Court as of June 30, 1996, and the results of its operations and changes in fund balance 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 general purpose financial statements taken as a whole. The combining statements and individual fund 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. Such combining statements and individual fund schedules have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated October 28, 1996 on our consideration of St. Tammany Parish Clerk of Court internal control structure and a report dated October 28, 1996 on its compliance with laws and regulations.

October 28, 1996

Smith, Hurval & Associates, L.L.C.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1986

NOTE E - FIXED ASSETS (Continued)

Total capital outlays reflected in the accompanying financial statements for the General Fund totaled \$199,888.

NOTE F - LIABILITIES

The Clerk is obligated under a lease agreement accounted for as a capital lease. The leased asset and related obligation is accounted for in the General Fixed Asset Account Group and the General Long-Term Debt Account Group, respectively. The General Fund is responsible for servicing the lease payments for the capital lease. Assets under the capital lease totaled \$345,500 at June 30, 1986.

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 1986:

Year Ending June 30, 1987	\$ 92,999
Less: amount representing interest	<u> (2,867)</u>
Present value of future minimum lease payments	<u>\$ 90,132</u>

The Clerk is also obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the Clerk's account groups. Rent payments of \$39,700 were made during the year ended June 30, 1986. The following is a schedule of future minimum rental payments:

Year Ending June 30 1987	<u>Amount</u> \$ 39,700
Total minimum lease payments	<u>\$ 39,700</u>

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GENERAL PURPOSE FINANCIAL STATEMENTS

ST. TAMMANY PARISH CLERK OF COURT
Covington, Louisiana

Year Ended June 30, 1986

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, 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 5 1987

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE 4 - CHANGES IN AGENCY FUND BALANCE

The following is a summary of changes in agency fund unaudited deposits:

	Unaudited Deposits at Beginning of Year	Additions	Reductions	Unaudited Deposits at End of Year
<i>Agency funds:</i>				
Advance Deposit	\$ 2,359,908	\$ 2,245,515	\$ (2,994,285)	\$ 1,742,138
Registry of Court	1,727,961	1,542,431	(1,500,185)	1,762,206
Total	\$ 4,118,328	\$ 3,887,946	\$ (4,494,470)	\$ 3,392,504

NOTE 5 - SUBSEQUENT EVENT

During the fiscal year end June 30, 1996, the St. Tammany Parish Clerk of Court, Lucy Reid Baruch, retired and did not seek re-election. Maline Prieto won the November 1995 election and took office July 1, 1996.

COMBINING STATEMENTS AND INDIVIDUAL
FUND SCHEDULES

St. Tammany Parish Clerk of Court
Covington, Louisiana

GENERAL FUND

The General Fund is the principal fund of the Clerk and is used to account for the financial resources and expenditures not accounted for in any other fund.

The following schedules present revenues by source and expenditures by function and character.

St. Tammany Parish Clerk of Court
Covington, Louisiana

SCHEDULE OF REVENUES
GOVERNMENTAL FUND TYPE - GENERAL FUND

For the Year Ended June 30, 1996

	<u>1996</u>
Marriage licenses	\$ 22,737
Court costs, fees, and charges:	
Fee-in-advance deposit	1,044,654
Criminal costs	152,366
Court attendance	<u>8,500</u>
	1,205,520
Recording of legal documents:	
Recording	1,224,997
Cancellations	111,271
Certificates	969,882
Redemptions	13,650
Police Jury costs	<u>17,281</u>
	3,537,081
Certified copies	<u>480,236</u>
Miscellaneous:	
Division fees	15,946
Computer time	10,343
Passports	10,490
Other	<u>380</u>
	37,159
Interest	<u>113,459</u>
Total Revenues	\$ 3,392,852

St. Tammany Parish Clerk of Court
Covington, Louisiana

SCHEDULE OF EXPENDITURES
GOVERNMENTAL FUND TYPE - GENERAL FUND

For the Year Ended June 30, 1986

	<u>1986</u>
Administration:	
Personal services	\$ 219,209
Operating services	137,801
Materials and supplies	19,879
Travel and other charges	12,889
Capital outlays	<u>5,562</u>
	<u>335,439</u>
Recordings and filings:	
Personal services	588,277
Operating services	199,213
Materials and supplies	87,629
Travel and other charges	128
Capital outlays	
	<u>55,683</u>
	<u>830,928</u>
Mortgage certificates:	
Personal services	342,888
Operating services	27,160
Materials and supplies	8,990
Travel and other charges	180
Capital outlays	
	<u>118,626</u>
	<u>500,634</u>
Civil suits and probate:	
Personal services	961,367
Operating services	29,913
Materials and supplies	28,353
Travel and other charges	1,403
Capital outlays	
	<u>8,257</u>
	<u>1,029,273</u>

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

SCHEDULE OF EXPENDITURES
GOVERNMENTAL FUND TYPE - GENERAL FUND (Continued)

Year Ended June 30, 1996

	<u>355</u>
Criminal suits and matters:	
Personal services	684,823
Operating services	5,675
Materials and supplies	19,311
Travel and other charges	160
Capital outlays	<u>4,008</u>
	<u>690,277</u>
Elections:	
Personal services	57,251
Operating services	17,588
Materials and supplies	134
Travel and other charges	355
Capital outlays	<u>119</u>
	<u>75,457</u>
Accounting and maps:	
Personal services	224,837
Operating services	12,872
Materials and supplies	3,515
Travel and other charges	402
Capital outlays	<u>3,963</u>
	<u>245,589</u>
Total Expenditures	<u>\$ 1,378,593</u>

Smith, Hurst & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Georgia Public Accountant

P.O. Box 1462

Covington, Louisiana 70434-0462

David E. Smith, CPA
Patrick "Drew" Ward, CPA

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE

Honorable Melise Prieto
St. Tammany Parish Clerk of Court
Covington, Louisiana

We have audited the general purpose financial statements of St. Tammany Parish Clerk of Court, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 28, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of St. Tammany Parish Clerk of Court, Covington, Louisiana 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.

In planning and performing our audit of the financial statements of St. Tammany Parish Clerk of Court, Covington, Louisiana for the year ended June 30, 1996, we obtained an understanding of its internal control structure. With respect to the internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Smith, Huval & Associates, L.L.C.

A LIMITED LIABILITY COMPANY

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

The Honorable Maline Priole
St. Tammany Parish Clerk of Court
Covington, Louisiana

We have audited the financial statements of the St. Tammany Parish Clerk of Court as of and for the year ended June 30, 1996, and have issued our report thereon dated October 28, 1996.

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

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in laws, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from these failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following instances of noncompliance.

According to Article VII, Section 14 of the 1974 Louisiana Constitution, payments should not be made to employees in lieu of vacation. During fiscal year ending June 30, 1996, the Clerk paid employees their vacation pay while the employees continued working. We have advised the Clerk of the provisions of Article VII, Section 14, and the importance of fair compliance. The Clerk has subsequently implemented procedures to insure compliance with Article VII, Section 14.

During the fiscal year June 30, 1996, the Clerk did not solicit fiscal agent bids as required by Louisiana Revised Statute 39:1214. We have advised the Clerk of the provisions of Revised Statute 39:1214 and the importance of fair compliance.

St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE L - POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note K, the Clerk provides post employment health care and life insurance benefits to all employees who retire from the Clerk under the same restrictions as in the above note. As of June 30, 1996, there were six retired employees participating in the post employment health care and life plan.

The benefits for the covered employees are provided through an insurance company whose monthly premiums are paid jointly by the employees/retirees and by the Clerk. The cost of providing these benefits for the retirees is separable from the cost of providing benefits for active employees and are recorded on a pay-as-you-go basis (cash basis). The Clerk's portion of the total premiums for the fiscal year ended June 30, 1996 aggregated \$250,284. For the year ended June 30, 1995, the cost of retiree benefits included in total paid premiums was \$11,788.

NOTE M - DEFERRED COMPENSATION PLAN

The Clerk offers her employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable contingency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (and if paid or made available to the employee or beneficiary) solely the property and rights of the Clerk (with no being restricted to the provisions of benefits under the plan), subject only to the claims of the Clerk's general creditors. Participants' rights under the plan are equal to those of general creditors of the Clerk in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Clerk's legal counsel that the Clerk has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Clerk believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Accordingly, the plan assets and related liabilities have not been included herein.

Investments are managed by the Plan's administrator (The Great West Life Assurance Company). The choice of the investment option(s) are made by the Plan participants.



Recommendations

for Improvements in the

Internal Control Structure of

ST. TAMMANY PARISH CLERK OF COURT

June 30, 1996

Smith, Hurval & Associates, L.L.C.

an equal opportunity employer

Certified Public Accountants

P.O. Box 1460

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October 28, 1996

To the Honorable Milton Prieto
St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

In planning and performing our audit of the general purpose financial statements of the St. Tammany Parish Clerk of Court, St. Tammany Parish, Louisiana 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. 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 condition in which the design or operation of the specific internal control system 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 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. Reparable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We noted no matters involving the internal control structure and its operations that we consider to be a material weakness as defined above during our audit. However, we did note certain matters involving the internal control structure and its operation that we consider to be non-reparable conditions under standards established by the American Institute of Certified Public Accountants. We feel the following recommendations would improve the Clerk's present internal control structure.

To the Honorable Malice Price
St. Tammany Parish Clerk of Court
Page 3

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Comment:

During our assessment of internal controls, we noted that the Chief Deputy is solely responsible for preparing and recording payroll. We recommend the Clerk implement procedures to train another employee in the payroll function to avoid a possible delay in payroll recording and distribution in the Chief Deputy's absence.

Response:

Management has implemented procedures to train another employee in the payroll function.

This letter is intended for the information of management and others within the organization as well as the Louisiana Legislative Auditors. This restriction is not intended to limit the distribution of this report, which is a matter of public record. We wish to express our appreciation for the cooperation and courtesies extended to us by the management and employees of the St. Tammany Parish Clerk of Court and look forward to working with you in the future.

Sincerely,

Smith, Havel & Associates, L.L.C.

Smith, Havel & Associates, L.L.C.

Honorable Malbie Priole
St. Tammany Parish Clerk of Court

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 condition in which the design or operation 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 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 raised no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above. However, we have provided written recommendations to the management of the St. Tammany Parish Clerk of Court that we feel would improve the present internal control structure.

This report is intended for the information of the management and others within the organization as well as the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Smith, Hural & Associates, L.L.C.

October 28, 1996