

100-10000-10000  
100-10000-10000  
100-10000-10000

**OFFICIAL  
FILE COPY**  
**DO NOT RETURN**

98702478  
1177

When necessary  
write from the  
case and attach  
BACK to FILE

**LIVINGSTON PARISH CLERK OF COURT**  
**LIVINGSTON, LOUISIANA**

**FINANCIAL REPORT**

**June 30, 1998**

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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: JUN 27 1998

**LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA**

**Component Unit Financial Statements  
As of and for the Year Ended June 30, 1995  
With Supplemental Information Schedules**

**CONTENTS**

	STATEMENT SCHEDULE	PAGE
Independent Auditor's Report .....		3
<b>General Purpose Financial Statements:</b>		
Combined Balance Sheet - All Fund Types and Account Groups .....	A	5
<b>Governmental Fund:</b>		
Statement of Revenues, Expenditures, and Changes in Fund Balances ...	B	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (HARP Basis) and Actual - General Fund .....	C	7
Notes to the Financial Statements .....		8
<b>Supplemental Information Schedules:</b>		
<b>Fiduciary Funds - Agency Funds:</b>		
Combined Balance Sheet .....	1	17
Schedule of Changes in Unsettled Balances .....	2	18
Summary Schedule of Prior Audit Findings .....	3	20
Corrective Action Plan for Current Year Audit Findings .....	4	21
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards) .....		22

**BRUCE HARNELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

Bruce C. Harnell, CPA

Wesley A. Wood, CPA  
Michael F. Stapp, CPA  
Dale H. Jones, CPA  
Charles P. Helzer, CPA  
James H. Schalkin, CPA

109 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
VOICE: (504) 342-8372  
FAX: (504) 342-3126

MEMPHIS OFFICE  
P.O. Box 41 • 682 Elm St.  
Birmingham, AL 35204  
VOICE: (205) 298-1000  
FAX: (205) 298-0950

MEMBERS  
American Institute of CPAs  
Faculty of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Lucian Patterson  
Livingston Parish Clerk of Court  
Livingston, Louisiana 70454

We have audited the accompanying general purpose financial statements of the Livingston Parish Clerk of Court, a component unit of the Livingston Parish Police Jury, Livingston, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Clerk of Court's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Livingston Parish Clerk of Court has included such disclosure in Note 15. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Livingston Parish Clerk of Court's disclosure with respect to the year 2000 issue made in Note 15. Further, we do not provide assurance that the Livingston Parish Clerk of Court is or will be successful in whole or in part, or that parties with which the Livingston Parish Clerk of Court does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Livingston Parish Clerk of Court, Livingston, Louisiana, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

Page 2

In accordance with Governmental Auditing Standards, we have also issued our report dated November 13, 1998 on our consideration of the Livingston Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Livingston Parish Clerk of Court, taken as a whole. The supplemental information schedules (Fiduciary Funds - Agency Funds) 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 Livingston Parish Clerk of Court, Livingston, Louisiana. Such information has been subjected to the auditing procedures applied in the audits of the general purpose financial statements, and in our opinion, such information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

November 13, 1998

**LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS**

**STATEMENT A**

Combined Balance Sheet  
June 30, 1998

	<u>GOVERNMENTAL FUNDS</u>		<u>ACCOUNT GROUP</u>	<u>TOTAL (Items Only)</u>
	<u>General Fund</u>	<u>Agency Funds</u>	<u>General Fixed Assets</u>	
<b>ASSETS</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,284,382	\$ 3,850,068	\$ -	\$ 5,134,450
Restricted Cash	228,475	-	-	228,475
Receivables	18,068	-	-	18,068
Due from Other Funds	106,874	-	-	106,874
Due from Other Governments	11,160	-	-	11,160
Land, Buildings and Equipment	-	-	496,383	496,383
<b>Total Assets</b>	<u>\$ 1,237,281</u>	<u>\$ 3,850,068</u>	<u>\$ 496,383</u>	<u>\$ 5,993,830</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 25,591	\$ -	\$ -	\$ 25,591
Payroll Taxes Payable	26,782	-	-	26,782
Accrued Insurance Claims	6,084	-	-	6,084
Due to Other Funds	-	106,874	-	106,874
Unsettled deposits	-	3,710,289	-	3,710,289
<b>Total Liabilities</b>	<u>68,357</u>	<u>3,850,068</u>	<u>-</u>	<u>3,918,425</u>
<b>Equity and Other Credits:</b>				
Investments in General Fixed Assets	-	-	496,383	496,383
Fund Balances:				
Reserved	228,475	-	-	228,475
Unreserved	1,452,419	-	-	1,452,419
<b>Total Equity and Other Credits</b>	<u>1,679,894</u>	<u>-</u>	<u>496,383</u>	<u>2,175,277</u>
<b>Total Liabilities, Equity and Other Credits</b>	<u>\$ 1,237,281</u>	<u>\$ 3,850,068</u>	<u>\$ 496,383</u>	<u>\$ 5,993,830</u>

The accompanying notes are an integral part of these statements.

**LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA  
GOVERNMENTAL FUND**

**STATEMENT B**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1998**

	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Licenses and permits	\$ 35,747
Fees, charges, and commissions for services:	
Recordings	572,666
Cancellations	31,799
Mortgage Certificates	11,501
Court Attendance	1,568
Copies	375,807
Bond Forfeits	17,878
Sales & Successions	178,389
Other Revenues:	
Interest	38,811
Other	83,766
Total revenues	<u>1,807,922</u>
<b>EXPENDITURES</b>	
General government:	
Salaries	611,769
Office Expenditures	324,812
Insurance	135,899
Automobile	5,038
Clerk's Allowance	4,786
Other	141,387
Capital Expenditures	74,004
Total expenditures	<u>1,338,195</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>469,727</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,189,123</u>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ <u>1,658,850</u></b>

The accompanying notes are an integral part of these statements.

LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA

STATEMENT C

GOVERNMENTAL FUND - GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget  
(GAAP Basis) and Actual  
For the Year Ended June 30, 1998

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Licenses and permits	\$ 25,700	\$ 25,747	\$ 47
Fees, charges, and commissions for services:			
Recordings	561,308	572,666	7,358
Concessions	21,400	21,299	(101)
Mortgage Certificates	11,400	11,501	101
Court Attendance	7,800	3,558	(4,242)
Copies	281,200	273,807	(7,393)
Bond Forfeits	13,300	17,878	3,778
Sales & Successions	753,400	776,288	22,888
Other Revenues:			
Interest	52,300	38,811	(13,489)
Other	83,800	82,796	(1,004)
Total revenues	<u>1,815,400</u>	<u>1,815,958</u>	<u>558</u>
<b>EXPENDITURES</b>			
General government:			
Salaries	788,880	651,740	137,140
Office Expenditures	318,180	324,832	(6,652)
Insurance	123,480	135,899	(12,419)
Autotravel	5,280	3,628	1,652
Utility Allowance	8,500	6,736	1,764
Other	194,400	141,287	53,113
Capital Expenditures	136,800	74,554	62,246
Total expenditures	<u>1,621,300</u>	<u>1,198,236</u>	<u>423,064</u>
EXCESS OF REVENUES OVER EXPENDITURES	194,100	476,122	282,022
FUND BALANCE BEGINNING OF YEAR	<u>1,185,172</u>	<u>1,185,172</u>	<u>-</u>
FUND BALANCE END OF YEAR	\$ <u>1,379,272</u>	\$ <u>1,678,894</u>	\$ <u>303,522</u>

The accompanying notes are an integral part of these statements.

**LIVINGSTON PARISH CLERK OF COURT**  
Livingston, Louisiana

**Notes to the Financial Statements**  
As of and for the Year Ended June 30, 1998

**INTRODUCTION**

As provided by Article V, Section 23 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.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Livingston 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 Livingston Parish Police Jury is the financial reporting entity for Livingston Parish. The financial reporting entity consists of (a) the primary government (police jury), (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 Livingston 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:

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 financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.



**LIVINGSTON PARISH CLERK OF COURT**  
**Livingston, Louisiana**

**Notes to the Financial Statements**  
**(Continued)**

**As of and for the Year Ended June 30, 1998**

Because the clerk of court is fiscally dependent on the police jury, the clerk of court was determined to be a component unit of the Livingston 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 regrouping 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.

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 13:781, 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 and Registry of Court 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 general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures.

**Revenues**

Revenues from recordings, copies, and other services are recognized when they become measurable and available as net current assets (i.e., when the service is performed). Substantially all other revenues are recorded when received.

**LIVINGSTON PARISH CLERK OF COURT**  
**Livingston, Louisiana**

**Notes to the Financial Statements**  
**(Continued)**  
**As of and for the Year Ended June 30, 1998**

**Expenditures**

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

**E. BUDGET PRACTICES**

The proposed budget for the 1998 fiscal year was made available for public inspection at the clerk's office on June 6, 1997. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 21 days prior to the public hearing. The budget hearing was held at the clerk's office on June 27, 1997. The budget is legally adopted by the clerk. All appropriations lapse at year end.

Formal budget integration is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**F. ENCUMBRANCES**

The clerk of court does not use an encumbrance accounting system.

**G. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk of court may deposit funds in demand deposits, interest-bearing demand deposits, 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 90 days or less, they are classified as cash equivalents.

**H. FIXED ASSETS**

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

**I. COMPENSATED ABSENCES**

Employees earn vacation leave of ten days after one year of employment. Sick leave is earned at the rate of fifteen days per year after one year of employment. Vacation and sick leave must be used in the year earned. Accordingly, no provision is made in the financial statements for unpaid vacation and sick leave.

LIVINGSTON PARISH CLERK OF COURT  
Livingston, Louisiana

Notes to the Financial Statements  
(Continued)  
As of and for the Year Ended June 30, 1998

**J. 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. As of June 30, 1998, the clerk's office had no long-term obligations.

**K. FUND EQUITY**

**Reserves**

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**L. TOTAL COLUMNS ON STATEMENTS**

Total columns on the 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.

**1. CASH AND CASH EQUIVALENTS**

At June 30, 1998, the clerk of court has cash and cash equivalents (bank balances) totaling \$5,461,023, as follows:

Demand Deposits	\$ 1,348,957
Interest-bearing Demand Deposits	2,688,859
Certificates of Deposits	831,287
Total	<u>\$ 5,461,023</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (for the remaining 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 building or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the clerk has \$5,632,882 in deposits (pledged bank balances). These deposits are secured from risk by \$280,808 of federal deposit insurance and \$5,432,682 of pledged securities held by the custodial bank in the name of the fiscal agent bank (Category 1).

LIVINGSTON PARISH CLERK OF COURT  
Livingston, Louisiana

Notes to the Financial Statements  
(Continued)

As of and for the Year Ended June 30, 1998

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASH Statement 3, Louisiana Revised Statute 39:1209 imposes a statutory requirement on the controlled bank to advertise and sell the pledged account as within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

3. DUE TO/FROM OTHER FUNDS

The due to/from other funds of \$106,874, at June 30, 1998, is as follows:

	Due From	Due To
General Fund	\$ 185,874	\$ -
Advance Deposit Fund	-	38,708
Registry of Court Fund	-	88,356
Total	<u>\$ 185,874</u>	<u>\$ 106,874</u>

4. RECEIVABLES

The receivables of \$ 33,380 at June 30, 1998, are from only 11 vendors that are allowed to change during the month. All amounts due are to be paid by the 10th of the following month, or they can no longer change.

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Equipment	\$ 431,218	\$ 34,094	\$ 18,862	\$ 486,398
Vehicle	29,993	-	-	29,993
Total	<u>\$ 461,211</u>	<u>\$ 34,094</u>	<u>\$ 18,862</u>	<u>\$ 486,393</u>

6. PENSION PLAN

*Plan Description:* Substantially all employees of the Livingston Parish Clerk of Court are members of the Louisiana Clerk of Court Retirement and Relief Fund/System), a cost-sharing, multi-employer defined benefit pension plan administered by a separate board of trustees.

**LIVINGSTON PARISH CLERK OF COURT**  
**Livingston, Louisiana**

**Notes to the Financial Statements**  
**(Continued)**

**As of and for the Year Ended June 30, 1998**

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 per cent of their final-average salary for each year of credited service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 30 consecutive or joint months that produces 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 supplemental information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11743 Brickstone Avenue, Suite 80, Baton Rouge, Louisiana 70816, or by calling (225) 293-1362.

**Funding Policy:** Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Livingston Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 30.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contribution requirements of plan members and the Livingston Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:303, 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 Livingston Parish Clerk of Court contributions to the System for the years ending June 30, 1995, 1996, and 1997, were \$39,679, \$41,323, and \$39,263, respectively, equal to the required contribution for each year.

**1. OTHER POSTEMPLOYMENT BENEFITS**

The clerk of court offers all retired employees health insurance benefits. The clerk pays the premiums. At June 30, 1998, 5 retired employees were covered under the clerk's health insurance plan. The cost to the clerk of court for the year ended June 30, 1998, was \$5,813.

**8. COMPENSATED ABSENCES**

At June 30, 1998, employees of the clerk of court have no accumulated leave benefits.

**9. LEASES**

The clerk of court had no capital leases at the end of the year.

The clerk of court has leaseable operating leases for computer equipment, computer software, microfilm equipment and a warehouse, requiring monthly rentals of \$2,749. The clerk of court may terminate these agreements on any arbitrary date at a cost not to exceed 25% of the annual lease cost.

LIVINGSTON PARISH CLERK OF COURT  
Livingston, Louisiana

Notes to the Financial Statements  
(Continued)

As of and for the Year Ended June 30, 1998

10. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund asset/deposit balances follows:

	Advance Deposit Fund	Registry of Court Fund	Total
Identified Deposits at Beginning of Year	<u>\$ 1,481,312</u>	<u>\$ 1,653,872</u>	<u>\$ 3,004,354</u>
<b>Additions</b>			
Deposits:			
Fees and assessments	1,382,339	-	1,382,339
Judgments	-	831,136	831,136
Interest earned on investments	-	94,028	94,874
Total additions	<u>1,382,339</u>	<u>1,025,600</u>	<u>2,238,149</u>
<b>Reductions</b>			
Clerk's costs (General Fund transfers)	772,957	-	772,957
Settlements to litigants	632,565	396,620	536,126
Sherrill's fees	63,286	-	63,286
Other	342,953	-	149,953
Total reductions	<u>1,312,621</u>	<u>396,620</u>	<u>1,519,241</u>
Identified Deposits at End of Year	<u>\$ 1,481,000</u>	<u>\$ 1,253,252</u>	<u>\$ 2,740,132</u>

11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The clerk has no general long-term obligations at June 30, 1998.

12. 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, 1998, there was an amount due the parish treasurer on this case not the last year of the clerk's four-year term of office, and no determination of the amount due, if any, can be made at this time.

**LIVINGSTON PARISH CLERK OF COURT**  
Livingston, Louisiana

**Notes to the Financial Statements**  
**(Continued)**  
**As of and for the Year Ended June 30, 1998**

**13. LITIGATION AND CLAIMS**

At June 30, 1998, the clerk of court was involved in one law suit. It is the opinion of the Clerk's attorney that the insurance will cover this matter, and there will be no liability to the Clerk's Office.

Attorney costs of \$5,420 were incurred in the current year and have been recorded as a current-year expenditure in the General Fund.

**14. 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.

**15. RESERVED FUND BALANCE**

On April 17, 1993, the 21st Judicial District Court ordered the clerk of court to deposit \$226,475 in an escrow account to be administered by the court to be used for the construction of clerk of court offices.

**16. YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Livingston Parish Clerk of Court has identified 2 computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the Clerk's operations. All of these systems and equipment except the financial accounting and reporting are in the remediation phase. The financial accounting and reporting system is in the validation/testing phase. The other systems must still be tested and validated. All of the systems are to be remediated by the software vendors, therefore there are no outside committed amounts for this project as of June 30, 1998.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Livingston Parish Clerk of Court is or will be Year 2000 ready, that the Livingston Parish Clerk of Court's remediation efforts will be successful in whole or in part, or that parties with whom the Livingston Parish Clerk of Court does business will be year 2000 ready.

LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 1998

**FINANCIAL TYPE FUNDS - AGENCY FUNDS**

**ADVANCE DEPOSIT FUND**

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:142, 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 13:473, 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.



**LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA  
FIDUCIARY FUNDS - AGENCY FUNDS**

**SCHEDULE 1**

**Combined Balance Sheet  
June 30, 1998**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,519,758	\$ 2,518,428	\$ 3,858,186
Due from other funds	-	-	-
<b>Total Assets</b>	<u>\$ 1,519,758</u>	<u>\$ 2,518,428</u>	<u>\$ 3,858,186</u>
<b>LIABILITIES</b>			
Due to general fund	\$ 38,708	\$ 68,186	\$ 106,894
Due to taxing bodies and others	<u>1,481,050</u>	<u>2,382,343</u>	<u>3,743,393</u>
<b>Total Liabilities</b>	<u>\$ 1,519,758</u>	<u>\$ 2,500,428</u>	<u>\$ 3,858,186</u>

The accompanying notes are an integral part of these statements.

**LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA  
FIDUCIARY FUNDS - AGENCY FUNDS**

**SCHEDULE 2**

**Schedule of Changes in Unsettled Balances  
For the Year Ended June 30, 1998**

	Advance Deposit Fund	Registry of Court Fund	Total
<b>UNSETTLED DEPOSITS AT BEGINNING OF YEAR</b>	\$ 1,401,312	\$ 1,613,672	\$ 3,014,984
<b>ADDITIONS</b>			
Deposits:			
Estate and Succession	1,202,339	-	1,202,339
Judgments	-	931,134	931,134
Interest	-	94,674	94,674
Total additions	<u>1,202,339</u>	<u>1,025,818</u>	<u>2,228,157</u>
Total	<u>2,603,651</u>	<u>2,638,892</u>	<u>5,242,543</u>
<b>REDUCTIONS</b>			
Clerk's costs (transferred to General Fund)	737,857	-	737,857
Settlements to Plaintiffs	137,585	396,638	534,223
Share It's fees	63,380	-	63,380
Other reductions	142,953	-	142,953
Total reductions	<u>1,077,625</u>	<u>396,638</u>	<u>1,474,263</u>
<b>UNSETTLED DEPOSITS AT END OF YEAR</b>	\$ 1,481,000	\$ 2,262,262	\$ 3,743,262

The accompanying notes are an integral part of these statements.

LIVINGSTON PARISH CLERK OF COURT  
LIVINGSTON, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 1998

**PRIOR YEAR AUDIT FINDINGS**

The follow-up and corrective action plan taken on all prior audit findings is presented in the summary schedule of prior audit findings. (Schedule 3).

**CURRENT AUDIT FINDINGS**

The corrective action plan for the current year audit findings is presented in Schedule 4.

LIVINGSTON PARISH CLERK OF COURT  
Livingston, Louisiana

Schedule B

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 1993

**Section 1 - Internal Control and Compliance Material to the Financial Statements:**

There were no prior year audit findings for either internal control or compliance.

**Section 2 - Management Letter:**

There were no prior year audit findings for a management letter.

LIVINGSTON PARISH CLERK OF COURT  
Livingston, Louisiana

Schedule B

Corrective Action Plan for Current Year Audit Findings  
For the Year Ended June 30, 1998

**Section I - Internal Control and Compliance Material to the Financial Statements:**

There were no internal control or compliance findings that we considered to be material to the financial statements.

**Section II - Internal Control and Compliance Immaterial to the Financial Statements:**

**Finding # 98-1**

Amounts have not been refunded after five year period lapse from Advance Deposit Fund in accordance with R.S. 13:342(B).

**Corrective Action Planned**

We were not able to produce a list of rate that have been inactive for 5 years from our computer system at the end of the current year. To correct this, we will get a program change in order to be in compliance with the statute.

**Name of Contact Person**

Barbara Griffin, Chief Deputy

**Anticipated Completion Date**

December 31, 1998

**Finding # 98-2**

The Clerk of Court did not file the required information at fiscal year end with the parish government. In accordance with R.S. 13:342(B).

**Corrective Action Planned**

We were not aware of the requirement to send the parish government a detailed list of our payroll. To correct this, we will send the information to the parish government in order to be in compliance with the statute.

**Name of Contact Person**

Barbara Griffin, Chief Deputy

**Anticipated Completion Date**

December 31, 1998

**BRUCE BARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Organization

Bruce C. Barrell, CPA

Warren A. Wick, CPA  
Michael P. Emery, CPA  
Dale H. Jones, CPA  
Charles P. Helms, CPA  
James D. Bahls, CPA

108 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
PHONE: (504) 543-6171  
FAX: (504) 345-3116

MEMPHIS OFFICE  
P.O. Box 43 - 403 BBA Bldg.  
Bartlett, TN 38004  
PHONE: (901) 426-1400  
FAX: (901) 426-0943

MEMBER  
American Institute of CPAs  
Society of Louisiana CPAs

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

To the Honorable Lucius Patterson  
Livingston Parish Clerk of Court  
Livingston, Louisiana 70454

We have audited the general purpose financial statements of the Livingston Parish Clerk of Court, a component unit of the Livingston Parish Police Jury, as of and for the year ended June 30, 1998, and have issued our report thereon dated November 13, 1998, which was qualified because insufficient audit evidence exists to support the Livingston Parish Clerk of Court's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Livingston Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of the Livingston Parish Clerk of Court's compliance with certain provisions of laws, regulations, contracts, and grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance which are described in the accompanying schedule of Current Year Audit Findings. See reference numbers 98-1 and 98-2.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Livingston Parish Clerk of Court's internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all weaknesses in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

Page 2

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 over financial reporting and its operation that we consider to be material weaknesses.

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



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

November 13, 1998