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**BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana**

**ANNUAL FINANCIAL REPORT
JUNE 30, 1998**

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Release Date 16031998

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INDEPENDENT AUDITOR'S REPORT

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana

I have audited the accompanying general purpose financial statements of the Beauregard Parish Clerk of Court, a component unit of the Beauregard Parish Police Jury, 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 Beauregard 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 statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Beauregard Parish Clerk of Court, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, I have also issued a report dated November 19, 1998 on my consideration of the Beauregard Parish Clerk of Court's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana
Page 2

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Beauregard 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.

John A. Windham, CPA
DeRidder, Louisiana
November 19, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

BEAUREGARD PARISH CLERK OF COURT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
June 30, 1998

	GOVERNMENTAL FUND TYPE
	<u>GENERAL FUND</u>
ASSETS	
Cash and equivalents	\$ 423,830
Accounts receivable:	
Recordings	12,570
Cancellations	653
Mortgage certificates	1,632
Notarial fees	816
Court attendance	653
Suits and successions	3,201
Prepaid expenses	5,783
Equipment	<u>---</u>
Total assets	<u>\$ 449,138</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	\$ 8,164
Payroll taxes payable	1,863
Unsettled deposits	<u>---</u>
Total liabilities	<u>\$ 10,027</u>
Fund equity:	
Investment in general fixed assets	\$ ---
Fund balance:	
Unreserved - undesignated	<u>439,111</u>
Total fund equity	<u>\$ 439,111</u>
Total liabilities and fund equity	<u>\$ 449,138</u>

Statement A

FIDUCIARY FUND TYPE		ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)
AGENCY FUNDS			
ADVANCE DEPOSIT FUNDS	REGISTRY OF COURT FUND	GENERAL FIXED ASSETS	
\$ 331,166	\$205,592	\$ ---	\$ 960,588
---	---	---	12,570
---	---	---	653
---	---	---	1,632
---	---	---	816
---	---	---	653
---	---	---	3,201
---	---	---	5,783
---	---	278,532	278,532
<u>\$ 331,166</u>	<u>\$205,592</u>	<u>\$278,532</u>	<u>\$1,264,428</u>
\$ ---	\$ ---	\$ ---	\$ 8,164
---	---	---	1,863
<u>331,166</u>	<u>205,592</u>	<u>---</u>	<u>536,758</u>
<u>\$ 331,166</u>	<u>\$205,592</u>	<u>\$ ---</u>	<u>\$ 546,785</u>
\$ ---	\$ ---	\$278,532	\$ 278,532
---	---	---	439,111
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$278,532</u>	<u>\$ 717,643</u>
<u>\$ 331,166</u>	<u>\$205,592</u>	<u>\$278,532</u>	<u>\$1,264,428</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH CLERK OF COURT

Statement B

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL
FUND TYPE - GENERAL FUND
Year Ended June 30, 1998

Revenues

Recordings	\$ 136,816
Cancellations	7,415
Mortgage certificates	17,411
Marriage licenses	8,831
Notarial fees	9,725
Suits and succession fees	219,125
Court attendance	6,254
Certified copies	47,899
Criminal costs	61,782
Qualifying fees	250
UCC certificates and filings	40,876
Interest earned	9,806
Clerk supplemental pay	11,325
State grant revenue	21,483
Total revenues	<u>\$ 598,998</u>

Expenditures

Salaries:	
Clerk of court	\$ 53,500
Deputies	202,452
Contract labor	14,049
Clerk's expense allowance	6,475
Clerk's supplemental compensation fund	9,097
Office supplies	75,619
Telephone	5,036
Accounting and auditing	3,150
Employer's contributions to:	
Group insurance	26,827
Pension fund	25,926
Payroll taxes	601
Travel and convention	2,118
Dues	1,575
Insurance and surety bond premiums	7,383
Voting machine custodian fees	2,100
State's share-marriage licenses	4,132
Auto expenditures	2,822
Clerks supplemental pay	11,325
Secretary of State	16,257
Capital outlay	53,480
Total expenditures	<u>\$ 523,924</u>

(Continued)

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH CLERK OF COURT

Statement B

STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - GOVERNMENTAL
 FUND TYPE - GENERAL FUND
 Year Ended June 30, 1998

Excess (deficiency) of revenues over expenditures	\$ 75,074
Fund balance, beginning	<u>364,037</u>
Fund balance, ending	<u>\$ 439,111</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH CLERK OF COURT

Statement C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable- (Unfavorable)
Revenues			
Recordings	\$ 131,987	\$ 136,816	\$ 4,829
Cancellations	7,061	7,415	354
Mortgage certificates	16,490	17,411	921
Marriage licenses	8,705	8,831	126
Notarial fees	10,259	9,725	(534)
Suits and succession fees	207,225	219,125	11,900
Court attendance	5,710	6,254	544
Certified copies	46,476	47,899	1,423
Criminal costs	62,099	61,782	(317)
Qualifying fees	---	250	250
UCC certificates and filings	42,085	40,876	(1,209)
Interest earned	8,559	9,806	1,247
Clerk supplemental pay	10,800	11,325	525
State grant revenue	21,483	21,483	---
Total revenues	<u>\$ 578,939</u>	<u>\$ 598,998</u>	<u>\$ 20,059</u>
Expenditures			
Salaries:			
Clerk of court	\$ 53,500	\$ 53,500	\$ ---
Deputies	198,340	202,452	(4,112)
Contract labor	12,205	14,049	(1,844)
Clerk's expense allowance	6,470	6,475	(5)
Clerk's supplemental compensation fund	10,800	9,097	1,703
Office supplies	85,945	75,619	10,326
Telephone	4,879	5,036	(157)
Accounting and auditing	3,200	3,150	50
Employer's contributions to:			
Group insurance	28,197	26,827	1,370
Pension fund	25,680	25,926	(246)
Payroll taxes	569	601	(32)
Travel and convention	2,311	2,118	193
Association dues	1,718	1,575	143
Insurance and surety bond premiums	3,432	7,383	(3,951)
Voting machine custodian fees	2,100	2,100	---
State's share-marriage licenses	4,029	4,132	(103)
Auto expenditures	2,835	2,822	13
Clerk's supplemental pay	9,089	11,325	(2,236)
Secretary of State	16,986	16,257	729
Capital outlay	49,617	53,480	(3,863)
Total expenditures	<u>\$ 521,902</u>	<u>\$ 523,924</u>	<u>\$ (2,022)</u>

(Continued)

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH CLERK OF COURT

Statement C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable- (Unfavorable)</u>
Excess (deficiency) of revenues over expenditures	\$ 57,037	\$ 75,074	\$ 18,037
Fund balances, beginning	<u>364,037</u>	<u>364,037</u>	<u>---</u>
Fund balances, ending	<u>\$ 421,074</u>	<u>\$ 439,111</u>	<u>\$ 18,037</u>

(Concluded)

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 1998

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 Beauregard 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 Beauregard Parish Police Jury is the financial reporting entity for Beauregard 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.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Beauregard 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

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

Because of the ability of the police jury to impose its will on the organization and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the Clerk of Court was determined to be a component unit of the Beauregard 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 government 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.

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

General operating expenditures are paid from this fund.

Agency Funds

The Advance Deposit and Registry of Court 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 funds use the following practices in recording revenues and expenditures:

Revenues -

Revenues are recognized when they become measurable and available as net current assets. Advance deposits and Registry of Court funds are considered measurable when collected by the Clerk of Court.

Expenditures -

Expenditures are generally recognized under the modified accrual basis of accounting when the 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 15, 1997. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal approximately ten days before the public hearing. The budget hearing was held at the Clerk's office on June 15, 1997. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end.

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 Beauregard Parish Clerk of Court does not use encumbrance accounting.

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 or any other state of the United States, or under the laws of the United States.

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. Investments are stated at cost.

H. INVENTORY

The Beauregard Parish Clerk of Court does not maintain an inventory.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are reported 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.

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

J. VACATION AND SICK LEAVE

All employees of the Clerk's office earn 5 to 10 days of vacation leave each year depending on length of service with the office. Vacation leave cannot be accumulated unless approved by the Clerk of Court.

At June 30, 1998, employees of the Clerk of Court had no accumulated and vested leave benefits required to be reported in accordance with generally accepted accounting principles.

K. LONG-TERM OBLIGATIONS

The Beauregard Parish Clerk of Court had no long-term obligations as of June 30, 1998.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

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

M. 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.

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. CASH AND CASH EQUIVALENTS

At June 30, 1998 the Clerk of Court has cash and cash equivalents (book balances) totaling \$960,588 as follows:

Petty cash	\$ 100
Passbook savings	91,998
Interest-bearing demand deposits	169,543
Money market accounts	88,233
Time deposits	337,985
Demand deposits	<u>272,729</u>
Total	<u>\$ 960,588</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 1998, the Clerk of Court has \$989,227 in deposits (collected bank balances). These deposits are secured from risk by \$664,027 of federal deposit insurance and \$310,200 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of \$15,000 is not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. RECEIVABLES

The receivables of \$19,525 at June 30, 1998, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>
Recordings	\$12,570
Cancellations	653
Mortgage certificates	1,632
Notorial fees	816
Court attendance	653
Suits and sucessions	<u>3,201</u>
Total	<u>\$19,525</u>

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Equipment	\$ <u>240,364</u>	\$ <u>53,480</u>	\$ <u>15,312</u>	\$ <u>278,532</u>

5. PENSION PLAN

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent 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 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

accrued to their date of termination. The System also provides
 BEAUREGARD PARISH CLERK OF COURT
 DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PENSION PLAN (Continued)

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, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, 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 Beauregard Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.00 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 collectible by the tax rolls of each parish. The contribution requirements of plan members and the Beauregard Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Beauregard Parish Clerk of Court's contributions to the System for the years ending June 30, 1998, 1997, and 1996, were \$23,074, \$24,311, and \$24,854, respectively, equal to the required contributions for each year.

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits:

	<u>Unsettled Deposits at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Unsettled Deposits at End of Year</u>
Agency funds:				
Advance Deposit	\$ 283,447	\$ 418,900	\$ 377,441	\$ 324,906
Title IV-D court fees	---	5,566	---	5,566
City court deposit	---	694	---	694
Registry of Court	<u>219,306</u>	<u>154,411</u>	<u>168,125</u>	<u>205,592</u>
Total	<u>\$ 502,753</u>	<u>\$ 579,571</u>	<u>\$ 545,566</u>	<u>\$ 536,758</u>

BEAUREGARD PARISH CLERK OF COURT
DeRidder, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. 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 no amount due the parish treasurer as this was not the last year of the clerk's four year term of office, and no determination of the amount that will be due, if any can be made at this time.

8. 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.

SUPPLEMENTAL INFORMATION SCHEDULE

FIDUCIARY FUNDS - AGENCY FUNDS

ADVANCE DEPOSIT FUND

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

REGISTRY OF COURT FUND

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

BEAUREGARD PARISH CLERK OF COURT

Schedule 1

FIDUCIARY FUND TYPE - AGENCY FUNDS

SCHEDULE OF CHANGES IN DEPOSIT BALANCES BY FUNDS
Year Ended June 30, 1998

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Deposit balances at beginning of year	\$ 283,447	\$219,306	\$ 502,753
Additions:			
Deposits in civil suits	417,275	---	417,275
Title IV-D court fees	5,566	---	5,566
City court deposits	694	---	694
Deposits by order of court	---	154,411	154,411
Interest	1,625	---	1,625
Total additions	<u>\$ 425,160</u>	<u>\$154,411</u>	<u>\$ 579,571</u>
Reductions:			
Transfers to general fund	\$ 1,625	\$ ---	\$ 1,625
Clerk's fees	219,125	---	219,125
Sheriff's fees:			
Beauregard Parish	34,039	---	34,039
Other parishes	14,482	---	14,482
Refunds	61,488	---	61,488
Judge's Supplemental and Compensation Fund	16,867	---	16,867
Other costs and fees	29,815	---	29,815
Payments by order of court	---	168,125	168,125
Total reductions	<u>\$ 377,441</u>	<u>\$168,125</u>	<u>\$ 545,566</u>
Deposit balances at end of year	<u>\$ 331,166</u>	<u>\$205,592</u>	<u>\$ 536,758</u>

BEAUREGARD PARISH CLERK OF COURT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 1998

Prior Audit Findings

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year ended June 30, 1998

Audit Finding No. 1

Initial occurrence - June 30, 1997

Bank Reconciliations

Finding:

The advance deposit fund's bank statements were not timely reconciled.

Corrective action taken - Yes

Audit Finding No. 2

Initial Occurrence - June 30, 1996

General Fixed Asset Ledger

Finding:

The general fixed asset ledger has not been maintained or updated for the prior two years. This comment was orally made during the June 30, 1996 audit.

Corrective action taken - yes

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana

I have audited the general purpose financial statements of the Beauregard Parish Clerk of Court, as of and for the year ended June 30, 1998, and have issued my report thereon dated November 19, 1998. I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Beauregard Parish Clerk of Court's general purpose financial statements are free of material misstatement, I performed tests of its 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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS. However, I noted certain immaterial instances of noncompliance that I have reported to management of the Beauregard Parish Clerk of Court, in a separate letter dated November 19, 1998.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Beauregard Parish Clerk of Court's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
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My consideration of the internal control over financial reporting would not necessarily disclose all matters 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

John A. Windham, CPA
DeRidder, Louisiana
November 19, 1998

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John A. Windham, CPA

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana

In planning and performing my audit of the general purpose financial statements of the Beauregard Parish Clerk of Court, DeRidder, Louisiana, for the year ended June 30, 1998. I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions 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 Clerk of Court's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Other Comments and Recommendations

Uncollateralized Bank Balances

Finding:

The Clerk of Court had \$195,504 in time deposits at one financial institution at June 30, 1998. The financial institution did not have any securities pledged and therefore provided only \$180,504 of FDIC coverage for the balances. This left \$15,000 uncollateralized at June 30, 1998 which is a violation of state law.

Recommendation:

I recommend that the Clerk of Court monitor the financial institutions where funds are deposited and make sure that FDIC coverage plus pledged securities are sufficient to cover the amounts on deposit with the financial institutions at all times during the year.

The Honorable Ronald L. Nichols
Beauregard Parish Clerk of Court
DeRidder, Louisiana
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Managements response:

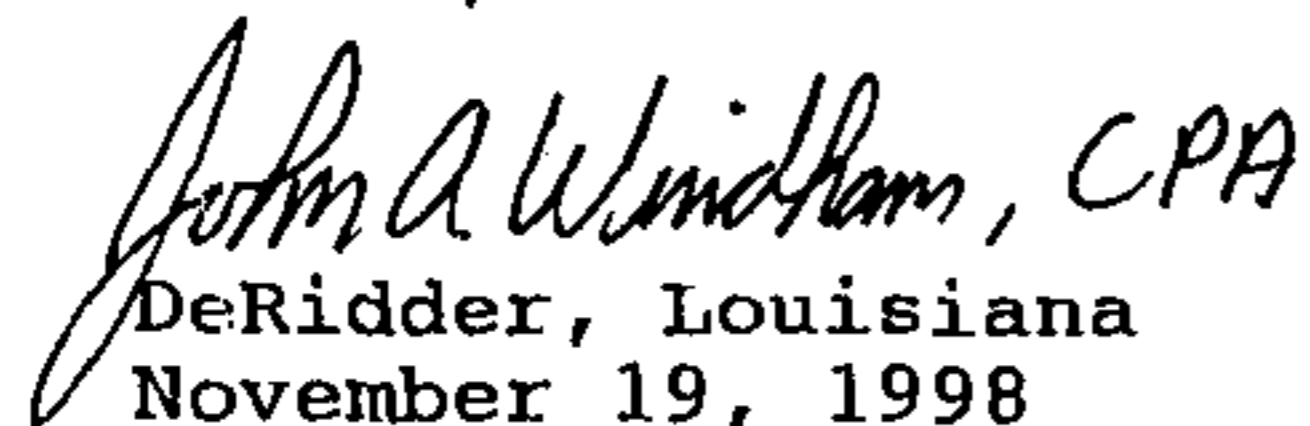
The financial institutions are supposed to keep track of the governmental deposits and pledge securities as needed above the FDIC coverage accordingly. In this case the financial institution failed to verify the coverage on deposits by the Clerk of Court. The Clerk of Court has placed his chief financial officer in charge of checking with the banks during the year to confirm that they have sufficient collateral pledged to cover his deposits at all times during the year.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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, none of the reportable conditions described above is believed to be a material weakness.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in my audit of the June 30, 1998 general purpose financial statements, and this report does not affect my report on those general purpose financial statements dated November 19, 1998. I have not considered the internal control structure since the date of my report.

This report is intended solely for the information and use of the Beauregard Parish Clerk of Court, DeRidder, Louisiana and the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.


DeRidder, Louisiana
November 19, 1998

Clerk of Court - Beauregard Parish



RONALD L. NICHOLS
CLERK OF COURT

THIRTY-SIXTH JUDICIAL DISTRICT
P.O. BOX 100
DERIDDER, LOUISIANA 70634
(318) 463-8595

JIM MARTIN
CHIEF DEPUTY

November 19, 1998

Mr. Daniel G. Kyle, CPA
Legislative Auditor's Office
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: 1998 Audit Reports

Dear Mr. Kyle:

The 1998 audit report for our office reflects that Beauregard Federal Savings Bank did not have securities pledged for all public funds the Clerk of Court has on deposit there.

Please be advised that the bank has now corrected this error, and has pledged securities to cover all funds on deposit which are above the FDIC limits.

I will monitor the securities pledged throughout the year to insure they are adequate for the funds which the Clerk of Court has on deposit at each lending institution.

With kindest regards, I am,

Yours truly,

Ronald L. Nichols
Clerk of Court