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TANGIPAHOA PARISH CLERK OF COURT

AMITE, LOUISIANA

FINANCIAL REPORT

June 30, 1999

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

Release Date FEB 02 2000

TANGIPAHOA PARISH CLERK OF COURT

AMITE, LOUISIANA

General Purpose Financial Statements
As of and for the Year Ended June 30, 1999
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

To the Honorable John Dahmer
Tangipahoa Parish Clerk of Court
Amite, Louisiana 70422

We have audited the accompanying general purpose financial statements of the Tangipahoa Parish Clerk of Court, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Tangipahoa Parish 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue. The Tangipahoa Parish Clerk of Court has included such disclosures in Note 19. 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 Tangipahoa Parish Clerk of Court's disclosures with respect to the Year 2000 issue made in Note 19. Further, we do not provide assurance that the Tangipahoa Parish Clerk of Court is or will be successful in whole or in part, or that parties with which the Tangipahoa 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 Tangipahoa Parish Clerk of Court, Louisiana, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 1999 on our consideration of the Tangipahoa 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.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Tangipahoa Parish Clerk of Court, Louisiana, taken as a whole. The accompanying schedules are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 3, 1999

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

**Combined Balance Sheet
June 30, 1999**

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUNDS - AGENCY FUNDS
	GENERAL FUND	DEBT SERVICE FUND	
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 1,561,151	\$ 170,473	\$ 3,193,195
Investments	767,810	-	1,763,628
Receivables	94,761	-	3,509
Due from other funds	162,117	-	76,050
Due from other governments	10,468	-	-
Land, buildings, and equipment	-	-	-
Other debits - amount available in debt service for retirement of general long-term obligations	-	-	-
	-	-	-
 TOTAL ASSETS AND OTHER DEBITS	 \$ 2,596,307	 \$ 170,473	 \$ 5,036,382
 OTHER CREDITS			
Liabilities:			
Accounts payable	\$ 66,270	\$ -	\$ -
Due to other funds	76,050	-	162,117
Unsettled deposits	-	-	4,874,265
Sick Leave Payable	-	-	-
Compensated absences payable	48,235	-	-
	190,555	-	5,036,382
TOTAL LIABILITIES	190,555	-	5,036,382
 Equity and Other Credits:			
Investments in general fixed assets	-	-	-
Fund balances:			
Reserved	111,912	118,560	-
Unreserved	2,293,840	51,913	-
	2,405,752	170,473	-
Total Equity and Other Credits	2,405,752	170,473	-
 TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	 \$ 2,596,307	 \$ 170,473	 \$ 5,036,382

The accompanying notes are an integral part of these statements.

STATEMENT A

ACCOUNT GROUP		
GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL MEMORANDUM ONLY)
\$ -	\$ -	\$ 4,924,819
-	-	2,531,438
-	-	98,270
-	-	238,167
-	-	10,468
513,945	-	513,945
-	118,560	118,560
\$ 513,945	\$ 118,560	\$ 8,435,667
\$ -	\$ -	\$ 66,270
-	-	238,167
-	-	4,874,265
-	118,560	118,560
-	-	48,235
-	118,560	5,345,497
513,945	-	513,945
-	-	230,472
-	-	2,345,753
513,945	-	3,090,170
\$ 513,945	\$ 118,560	\$ 8,435,667

The accompanying notes are an integral part of these statements.

**TANGIPAHOA PARISH CLERK OF COURT
AMITE, LOUISIANA
GOVERNMENTAL FUND TYPES**

STATEMENT B

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999**

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>
REVENUES		
Licenses and permits	\$ 29,045	\$ -
Fees, charges, and commissions for services:		
Court costs, fees, and charges	1,710,334	-
Fees for recording legal documents	1,035,057	-
Use of money and property - interest & dividends earnings	202,073	2,272
Miscellaneous	60,203	-
	<u>3,036,712</u>	<u>2,272</u>
Total revenues		
EXPENDITURES		
General government:		
Personal services and related benefits	1,490,153	-
Operating services	190,397	-
Materials and supplies	263,786	-
Travel and other charges	28,920	-
Capital expenditures	25,785	-
	<u>1,999,041</u>	<u>-</u>
Total expenditures		
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,037,671</u>	<u>2,272</u>
OTHER FINANCING SOURCES:		
Unrealized loss on investments	(535)	-
Operating transfers In (Out)	(23,576)	23,576
	<u>(24,111)</u>	<u>23,576</u>
Total other financing sources		
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,013,560	25,848
FUND BALANCE AT BEGINNING OF YEAR	<u>1,392,192</u>	<u>144,625</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,405,752</u>	<u>\$ 170,473</u>

The accompanying notes are an integral part of these statements.

**TANGIPAHOA PARISH CLERK OF COURT
AMITE, LOUISIANA
GOVERNMENTAL FUNDS - GENERAL FUND**

STATEMENT C

**Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 1999**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES			
Licenses and permits	\$ 30,235	\$ 29,045	\$ (1,190)
Fees, charges, and commissions for services:			
Court cost, fees, and charges	1,628,900	1,710,334	81,434
Fees for recording legal documents	1,000,000	1,035,057	35,057
Use of money and property-interest and dividends	170,000	202,073	32,073
Miscellaneous	46,600	60,203	13,603
	<u>2,875,735</u>	<u>3,036,712</u>	<u>160,977</u>
EXPENDITURES			
General government:			
Personal services and related benefits	1,491,730	1,490,153	1,577
Operating services	166,863	190,397	(23,534)
Materials and supplies	401,378	263,786	137,592
Travel and other charges	25,634	28,920	(3,286)
Capital expenditures	26,000	25,785	215
	<u>2,111,605</u>	<u>1,999,041</u>	<u>112,564</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>764,130</u>	<u>1,037,671</u>	<u>273,541</u>
OTHER FINANCING SOURCES (USES)			
Unrealized loss on investments	-	(535)	(535)
Operating transfer out	(23,576)	(23,576)	-
	<u>(23,576)</u>	<u>(24,111)</u>	<u>(535)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>740,554</u>	<u>1,013,560</u>	<u>273,006</u>
FUND BALANCE BEGINNING OF YEAR	<u>1,392,192</u>	<u>1,392,192</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 2,132,746</u>	<u>\$ 2,405,752</u>	<u>\$ 273,006</u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1999

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 Tangipahoa 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

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Tangipahoa Parish Council. The council maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the council, the clerk of court was determined to be a component unit of the Tangipahoa Parish Council, the 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 council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The clerk of court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

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

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

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

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.

Debt Service Fund

The Debt Service Fund is established to account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the General Long-Term Obligations Account Group.

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 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.

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 1999 fiscal year was made available for public inspection at the clerk's office on May 13, 1998. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal prior to the public hearing. The budget hearing was held at the clerk's office on June 5, 1998. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year end.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

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

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the clerk of court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at fair market value.

The Clerk of Court maintains some investments in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of Louisiana, which operates a local government investment pool. LAMP invests its assets only in securities and other obligations permissible under Louisiana law for local governments.

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the reporting of investment positions in 2a7-like pools (such as LAMP) be based on the pool's share price.

I. 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 council 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.

J. COMPENSATED ABSENCES

The clerk of court has the following policy relating to vacation and sick leave:

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

Sick Leave

Each employee is granted 13 days for sick leave at the beginning of each year. It may be carried over at the end of each year. In the event of major surgery, child birth, or extended hospital confinement, a period not to exceed 30 days will be allowed at the discretion of the clerk of court. Any holidays falling within this 30 day period will be included in the 30 days, and cannot be added to this period. After 30 days, the employee will be considered on leave without pay, provided all other leave has been exhausted. The liability of \$118,560 for vested accumulating rights to receive sick pay benefits, is recorded in the general long-term debt account group.

Vacation

Ten vacation days are granted to each employee at the beginning of each year, employees with 10 years of full-time service are given 15 vacation days. Unused vacation days convert to sick leave at the end of the employees' year.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

K. 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.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a 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.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the clerk of court has cash and cash equivalents (book balances) totaling \$4,924,819, as follows:

Interest-bearing Demand Deposits	\$ 4,149,819
Time Deposits	<u>775,000</u>
Total	<u>\$ 4,924,819</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, 1999, the clerk has \$3,278,149 in deposits (collected bank balances). These deposits are secured from risk by \$787,930 of federal deposit insurance and \$2,490,219 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 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.

3. INVESTMENTS

Investments are categorized into these three categories of credit risk:

- I. Insured or registered, or securities held by the clerk or its agent in the clerk's name
- II. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the clerk's name
- III. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the clerk's name

All investments held by the clerk of court fall into category I credit risk, defined as "insured or registered, or securities held by the clerk of court or its agent in the clerk of court's name." In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

At June 30, 1999, the clerk of court holds investments totaling \$2,531,438 as follows:

	Carrying Amount	Market Value
Bank C D - A G Edwards	\$ 196,000	\$ 196,000
Bank C D - Merrill Lynch	194,688	194,688
LAMP	2,140,750	2,140,750
Total	\$2,531,438	\$2,531,438

All investments are stated on the balance sheet (carrying value) at cost. All investments, except LAMP, are in the name of the clerk and are held at the clerk's office. Because these investments are in the name of the clerk and are held by the clerk or the clerk's agent, the investments are considered insured and registered, Category (1), in applying the credit risk of GASB Codification Section 150.164.

In accordance with GASB Codification Section 150.165, the investment in LAMP at June 30, 1999, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

4. DUE TO/FROM OTHER FUNDS

The due to/from other funds of \$238,167, at June 30, 1999, is as follows:

	Due From	Due To
General Fund	\$ 162,117	\$ 76,050
Advance Deposit Fund	76,050	162,117
Total	\$ 238,167	\$ 238,167

5. RECEIVABLES

The receivables of \$98,270 at June 30, 1999, are as follows:

Class of Receivable:	General Fund	Agency Funds	Total
Accounts Receivable	\$ 94,521	\$ -	\$ 94,521
NSF Receivable	240	3,509	3,749
Total	\$ 94,761	\$ 3,509	\$ 98,270

6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 27,800	\$ -	\$ -	\$ 27,800
Buildings	143,225	-	-	143,225
Equipment	314,111	59,560	52,771	320,900
Vehicle	22,020	-	-	22,020
Total	\$ 507,156	\$ 59,560	\$ 52,771	\$ 513,945

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

7. PENSION PLAN

Plan Description. Substantially all employees of the Tangipahoa Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined 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 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 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 supplemental information of the System. That report may be obtained by writing to the Louisiana Clerk 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 Tangipahoa Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.00 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 Tangipahoa 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 Tangipahoa Parish Clerk of Court's contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$99,718, \$93,074, and \$101,498, respectively, equal to the required contributions for each year.

Deferred Compensation Plan:

The Tangipahoa Parish Clerk of Court also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all clerk of court 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 unforeseeable emergency.

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 (until paid or made available to the employee or other beneficiary) solely the property and rights of the clerk of court (without being restricted to the provisions of the benefits

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

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.

The clerk of court has 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.

8. OTHER POSTEMPLOYMENT BENEFITS

The clerk of court offers all retired employees health insurance benefits. The clerk and the retired employee each pay one-half of the premium on a pay-as-you-go basis. At June 30, 1999, nine retired employees were covered under the clerk's health insurance plan. The cost to the clerk of court for the year ended June 30, 1999, was \$16,120.

9. COMPENSATED ABSENCES

At June 30, 1999, employees of the clerk of court have accumulated and vested \$166,795 of employee leave benefits, computed in accordance with GASB Codification Section C60. Of this amount, \$48,235 is recorded as an obligation of the general fund, and \$118,560 is recorded within the general long-term obligations account group.

10. LEASES

The clerk of court records items under capital leases as an asset and an obligation in the accompanying financial statements. The clerk of court had no capital leases at the end of the year.

The clerk of court had no operating leases of more than twelve months at the end of the year.

11. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

Agency Funds:	Unsettled Deposits at Beginning of Year	Additions	Deletions	Unsettled Deposits at End of Year
Advance Deposit	\$ 3,427,814	\$ 1,697,758	\$ 2,000,021	\$ 3,125,551
Registry of Court	1,691,805	673,918	617,009	1,748,714
Total	<u>\$ 5,119,619</u>	<u>\$ 2,371,676</u>	<u>\$ 2,617,030</u>	<u>\$ 4,874,265</u>

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

12. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

Long-term obligations payable at July 1, 1998	\$120,640
Additions	1,200
Deletions	<u>(3,280)</u>
Long-term obligations payable At June 30, 1999	<u>\$ 118,560</u>

13. 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, 1999, 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.

14. LITIGATION AND CLAIMS

At June 30, 1999, the clerk of court has no pending suits.

Claims and litigation costs of \$3,428 were incurred in the current year and have been recorded as a current-year expenditure in the General Fund.

15. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL

Certain operating expenditures of the clerk's office are paid by the parish council and are not included in the accompanying financial statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1999

16. COMMITMENTS AND INTERGOVERNMENTAL SERVICE AGREEMENT

On September 28, 1994, the Tangipahoa Parish Clerk of Court and the Tangipahoa Parish Tax Assessor entered into an agreement to jointly fund a new mapping system. The new mapping system is to be capable of producing ownership maps including roads and rivers in Tangipahoa Parish, and also be able to create maps of all election districts. The mapping division will consist of one employee from the clerk of court's office, one employee from the tax assessor's office, and a team leader, who will be compensated by the clerk of court's office. All expenses incurred, including aerial photography, will be the responsibility of the municipalities or any other governmental agency desiring a GIS.

17. RESERVED FUND BALANCE

The amount in the Reserved Fund Balance is the balance of the checking account that is dedicated to the mapping project between the clerk of court and the tax assessor. See footnote 16.

18. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

For the year ended June 30, 1999, the clerk of court had the following on-behalf payments, which were recorded as revenues when received and expenditures when the cost was incurred, as required by GASB Statement 24:

<u>Funding Source</u>	<u>Amount</u>
Election Reimbursement	\$ 12,793
Clerk's Supplemental	11,825
Total On-Behalf Payments	<u>\$ 24,618</u>

19. 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 Tangipahoa Parish Clerk of Court has identified two (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 for financial accounting and reporting are in the remediation phase. The financial accounting and reporting system is in the validation/testing phase. The other system must still be tested and validated. All of the systems are to be remediated by the software vendors, therefore there are no outside contracted amounts for this project as of June 30, 1999.

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 Tangipahoa Parish Clerk of Court is or will be Year 2000 ready, that the Tangipahoa Parish Clerk of Court's remediation efforts will be successful in whole or in part, or that parties with whom the Tangipahoa Parish Clerk of Court does business will be Year 2000 ready.

GENERAL FUND

The General Fund serves as the general operating fund of the clerk of court. It is used to account for all financial resources except those required to be accounted for in another fund.

TANGIPAHOA PARISH CLERK OF COURT
AMITE, LOUISIANA
GOVERNMENTAL FUNDS - GENERAL FUND

SCHEDULE 1

Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Licenses and permits:			
Marriage licenses	\$ 25,000	\$ 23,500	\$ (1,500)
Passports	5,235	5,545	310
Total licenses & permits	30,235	29,045	(1,190)
Fees, charges, and commissions for services:			
Court cost, fees, and charges:			
Criminal fees	116,000	126,399	10,399
Suits & successions	1,500,000	1,573,155	73,155
Court attendance	12,900	10,780	(2,120)
Total fees, charges, and commissions for services	1,628,900	1,710,334	81,434
Fees for recording legal documents:			
Recordings, cancellations, and mortgages	1,000,000	1,035,057	35,057
Total fees for recording legal documents	1,000,000	1,035,057	35,057
Use of money and property-interest and dividends	170,000	202,073	32,073
Miscellaneous revenues:			
Mapping reimbursement	-	5,000	5,000
Minute Clerk reimbursement	14,400	13,200	(1,200)
Election reimbursement	12,000	12,793	793
Parish Council reimbursement	6,000	16,135	10,135
Clerk's supplemental	11,700	11,825	125
Election qualifying fees	1,000	778	(222)
Miscellaneous	1,500	472	(1,028)
Total miscellaneous revenues	46,600	60,203	13,603
TOTAL REVENUES	\$ 2,875,735	\$ 3,036,712	\$ 160,977

(Continued)

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
AMITE, LOUISIANA
GOVERNMENTAL FUNDS - GENERAL FUND

SCHEDULE 1
(Continued)

Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

EXPENDITURES	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
General government:			
Personal services and related benefits:			
Salary of official	\$ 70,550	\$ 70,700	\$ (150)
Salary of deputies	1,100,000	1,087,431	12,569
Salary of other employees	16,000	16,408	(408)
Salary of deputies - Overtime	3,480	3,480	-
Election salary - employees	12,000	12,605	(605)
Custodian of voting machines	2,400	2,400	-
Payroll taxes	800	666	134
Medicare taxes	10,800	10,140	660
Retirement contributions	99,000	99,718	(718)
Group health insurance	132,600	137,073	(4,473)
Uniforms	21,600	25,500	(3,900)
Supplemental comp. fund	22,500	24,000	(1,500)
Minute clerk - supplemental comp.	-	32	(32)
Total personal services and related benefits	<u>1,491,730</u>	<u>1,490,153</u>	<u>1,577</u>
Operating services:			
Clerk's expense allowance	7,055	7,070	(15)
Dues & association fees	2,287	2,287	-
UCC billings	25,500	29,177	(3,677)
Office equipment repairs & maintenance	16,900	19,036	(2,136)
Insurance expense	963	3,072	(2,109)
Errors & omissions insurance	19,458	20,023	(565)
Telephone	32,000	37,452	(5,452)
Marriage license spouse abuse	10,900	11,163	(263)
Professional fees	43,000	52,613	(9,613)
Legal fees	2,000	3,428	(1,428)
Jury commission	4,800	4,302	498
Miscellaneous	2,000	774	1,226
Total operating services	<u>166,863</u>	<u>190,397</u>	<u>(23,534)</u>
Materials and supplies:			
Office supplies	144,000	154,535	(10,535)
Postage	27,800	28,156	(356)
Computer expense	229,578	81,095	148,483
Total materials and supplies	<u>401,378</u>	<u>263,786</u>	<u>137,592</u>

(Continued)

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
 AMITE, LOUISIANA
 GOVERNMENTAL FUNDS - GENERAL FUND

SCHEDULE 1
 (Continued)

Schedule of Revenues and Expenditures
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 1999

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Travel and other charges:			
Auto expense	\$ 3,800	\$ 4,018	\$ (218)
Travel & conventions	20,000	22,633	(2,633)
Training & education	1,834	2,269	(435)
Total travel and other charges	25,634	28,920	(3,286)
Capital expenditures:			
Mapping	26,000	25,785	215
Fixed assets	-	-	-
Total capital expenditures	26,000	25,785	215
 TOTAL EXPENDITURES	 \$ 2,111,605	 \$ 1,999,041	 \$ 112,564

(Concluded)

The accompanying notes are an integral part of these statements.

FIDUCIARY TYPE 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 judgement has been rendered in court litigations. Withdrawal of the funds can be made only upon order of the court.

TANGIPAHOA PARISH CLERK OF COURT
 AMITE, LOUISIANA
 FIDUCIARY FUNDS - AGENCY FUNDS

SCHEDULE 2

Combined Balance Sheet
 June 30, 1999

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 1,444,499	\$ 1,748,696	\$ 3,193,195
Investments	1,763,628	-	1,763,628
Receivables	3,491	18	3,509
Due from Other Funds	<u>76,050</u>	<u>-</u>	<u>76,050</u>
TOTAL ASSETS	<u>\$ 3,287,668</u>	<u>\$ 1,748,714</u>	<u>\$ 5,036,382</u>
LIABILITIES			
Due to general fund	\$ 162,117	\$ -	\$ 162,117
Due to taxing bodies and others	<u>3,125,551</u>	<u>1,748,714</u>	<u>4,874,265</u>
TOTAL LIABILITIES	<u>\$ 3,287,668</u>	<u>\$ 1,748,714</u>	<u>\$ 5,036,382</u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
AMITE, LOUISIANA
FIDUCIARY FUNDS - AGENCY FUNDS

SCHEDULE 3

Schedule of Changes in Unsettled Balances
For the Year Ended June 30, 1999

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	\$ <u>3,427,814</u>	\$ <u>1,691,805</u>	\$ <u>5,119,619</u>
ADDITIONS			
Deposits:			
Suits, successions and judgments	<u>1,697,758</u>	<u>673,918</u>	<u>2,371,676</u>
Total additions	<u>1,697,758</u>	<u>673,918</u>	<u>2,371,676</u>
Total	<u>5,125,572</u>	<u>2,365,723</u>	<u>7,491,295</u>
REDUCTIONS			
Clerk's costs (transferred to General Fund)	1,573,167	-	1,573,167
Settlements to litigants	224,034	617,009	841,043
Attorney, curator, and notary fees	330	-	330
Stenographer's fees	19,770	-	19,770
Sheriff's fees	61,478	-	61,478
Judicial expense	83,769	-	83,769
Juror cost	12,232	-	12,232
Other reductions	<u>25,241</u>	<u>-</u>	<u>25,241</u>
Total reductions	<u>2,000,021</u>	<u>617,009</u>	<u>2,617,030</u>
UNSETTLED DEPOSITS AT END OF YEAR	\$ <u><u>3,125,551</u></u>	\$ <u><u>1,748,714</u></u>	\$ <u><u>4,874,265</u></u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 1999

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings in Schedule 4.

CURRENT AUDIT FINDINGS

The corrective action plan for current year audit findings is presented in Schedule 5.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 4

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 1999

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

There were no Prior Year Audit Findings for Internal Control or Compliance Material to the Financial Statements.

Section II - Management Letter.

Reference Number: 98-M1

Description of Finding:

During the financial audit for the fiscal year ending June 30, 1998, we noted that daily deposits were not always deposited timely. We recommended that each day the deposits from the previous day be deposited as early as possible.

Corrective Action Taken:

Yes

Reference Number 98-M2:

Description of Finding:

The Tangipahoa Parish Clerk of Court maintains a current listing of general fixed assets, which is updated annually. The listing is maintained on a word processor. It is difficult to determine the additions and deletions made during the year in order to reconcile the beginning and ending balance of general fixed assets. We recommended that fixed asset records for the Tangipahoa Parish Clerk of Court be maintained in a format that provides an audit trail for determining beginning balances per class and department, and identification of additions and deletions, necessary to reconcile ending balances.

Corrective Action Taken:

None

Corrective Action Planned:

The above recommendation will be implemented. The Chief Deputy will assist in making the required changes and will monitor compliance to the recommendations.

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

Schedule 5

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1999**

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

There were no findings for Internal Control or Compliance that were material to the Financial Statements.

Section II - Management Letter:

Reference Number: 99-M1

Description of Finding:

During the financial audit for the fiscal year ending June 30, 1999, we noted that the Registry of Court Fund has several accounts incurring service charges. We recommend that all the Registry of Court accounts be closed into one interest bearing account, and the interest allocated to each suit based on the amount in each suit. We also recommend that the clerk of court refund the service charges the bank charged either by getting the bank to refund the charges, or making up the difference from the Salary Fund.

Corrective Action Planned:

The above finding is the result of the bank being bought out by another bank. We will open another account and deposit all Registry of Court funds into it, and disperse the interest to each suit each month.

Name of Contact Person:

Alison Thompson, Chief Deputy
Tangipahoa Parish Clerk of Court
(504) 748-4146

Anticipated Completion Date:

January 1, 2000

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MEMBERS
American Institute of CPAs
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable John Dahmer
Tangipahoa Parish Clerk of Court
Amite, Louisiana 70422

We have audited the financial statements of the Tangipahoa Parish Clerk of Court as of and for the year ended June 30, 1999, and have issued our report thereon dated December 3, 1999, which was qualified because insufficient audit evidence exists to support the Tangipahoa 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 Tangipahoa Parish Clerk of Court's financial statements are free of material misstatement, we 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 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 that we have reported to management of the Tangipahoa Parish Clerk of Court in the Corrective Action Plan for Current Year Audit Findings as item number 99-M1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa 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

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Page 2

over financial reporting. Our 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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Tangipahoa Parish Clerk of Court in the Corrective Action Plan for Current Year Audit Findings as item number 99-M1.

This report is intended for the information of 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

December 3, 1999