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GENERAL PURPOSE FINANCIAL STATEMENTS

ST. TAMMANY PARISH CLERK OF COURT  
St. Tammany Parish, Louisiana

Year Ended 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 1-19-2000 .

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## INDEPENDENT AUDITORS' REPORT

Honorable Malise Prieto  
St. Tammany Parish Clerk of Court  
St. Tammany Parish, Louisiana

We have audited the accompanying general purpose financial statements of the St. Tammany Parish Clerk of Court as of June 30, 1999 and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the management of the St. Tammany Parish Clerk of Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. 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.

*In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Parish Clerk of Court as of June 30, 1999, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.*

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining statements and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such combining statements and individual fund schedules have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The St. Tammany Parish Clerk of Court has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1 *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the St. Tammany Parish Clerk of Court is or will become year 2000 compliant, that the St. Tammany Parish Clerk of Court's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the St. Tammany Parish Clerk of Court does business are or will become Year 2000 compliant.

Honorable Malise Prieto  
St. Tammany Parish Clerk of Court  
St. Tammany Parish, Louisiana

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 1999 on our consideration of the St. Tammany Parish Clerk of Court's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants.

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

November 19, 1999

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

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	Governmental Fund Type - General Fund	Fiduciary Fund Type - Agency Funds	Account Groups		Total (Memorandum Only)
			General Fixed Assets	General Long-Term Obligations	
Assets					
Cash and cash equivalents	\$ 297,044	\$ 2,540,610	\$	\$	\$ 2,837,654
Investments	1,080,000	2,140,000			3,220,000
Receivables	107,453				107,453
Due from Advance Deposit Fund	32,129		2,041,711		32,129
Equipment and improvements					2,041,711
Amount to be provided for retirement of general long-term obligations				114,726	114,726
<b>Total Assets</b>	<b>\$ 1,516,626</b>	<b>\$ 4,680,610</b>	<b>\$ 2,041,711</b>	<b>\$ 114,726</b>	<b>\$ 8,353,673</b>
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 22,577	\$	\$	\$	\$ 22,577
Due to others	32,124				32,124
Due to general fund		32,129			32,129
Unsettled deposits		4,648,481			4,648,481
Compensated absences payable				114,726	114,726
<b>Total Liabilities</b>	<b>54,701</b>	<b>4,680,610</b>	<b>-</b>	<b>114,726</b>	<b>4,850,037</b>
Fund Equity					
Investment in general fixed assets			2,041,711		2,041,711
Unreserved fund balance	1,461,925				1,461,925
<b>Total Fund Equity</b>	<b>1,461,925</b>	<b>-</b>	<b>2,041,711</b>	<b>-</b>	<b>3,503,636</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,516,626</b>	<b>\$ 4,680,610</b>	<b>\$ 2,041,711</b>	<b>\$ 114,726</b>	<b>\$ 8,353,673</b>

The accompanying notes are an integral part of this statement.

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

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

For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Marriage licenses	\$ 33,800	\$ 36,481	\$ 2,681
Fees, charges and commissions for services:			
Court costs, fees, and charges	1,568,000	1,877,271	309,271
Fees for recording legal documents	1,932,450	2,519,859	587,409
Fees for certified copies	490,325	266,044	(224,281)
Other	30,200	79,983	49,783
Tornado insurance reimbursement	183,250	266,860	83,610
Use of money and property - interest earnings	<u>120,000</u>	<u>149,413</u>	<u>29,413</u>
Total revenues	<u>4,358,025</u>	<u>5,195,911</u>	<u>837,886</u>
<b>EXPENDITURES</b>			
General government:			
Administration	585,225	529,503	55,722
Recordings and filings	699,925	754,717	(54,792)
Mortgage certificates	554,050	527,680	26,370
Civil suits and probates	1,241,825	1,126,620	115,205
Criminal suits and minutes	941,450	995,337	(53,887)
Elections	155,300	147,810	7,490
Accounting and maps	<u>146,950</u>	<u>164,078</u>	<u>(17,128)</u>
Total expenditures	<u>4,324,725</u>	<u>4,245,745</u>	<u>78,980</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 33,300</u>	950,166	<u>\$ 916,866</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>		<u>511,759</u>	
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$1,461,925</u>	

The accompanying notes are an integral part of this statement.



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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Tammany Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk serves a four-year term as the ex-officio notary public, the recorder of conveyances and mortgages. The Clerk can *appoint deputies with duties and powers provided by law, with the approval of the district judge.*

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

2. Fund Accounting

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (continued)

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

Governmental Fund Type

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.

Fiduciary Fund Type

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

3. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

General fund revenues such as recording, cancellations, certified copies, election, certificates, marriage licenses, criminal costs, court attendance fees, and interest revenue are recorded when they become measurable and available. Fees collected and held by the Advance Deposit and Registry



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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Basis of Accounting (continued)

of Court Agency Funds on behalf of the Clerk's General Fund also are recognized as revenue. Substantially all other revenues are recorded when received.

Expenditures

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

4. Budget and Budgetary Accounting

Formal budget integration is employed as a management control device during the year for the General Fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The proposed budget for the 1999 fiscal year was made available for public inspection at the Clerk's office on May 19, 1998. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 24 days before the public hearing. The budget hearing was held at the Clerk's office on June 12, 1998. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year end.

5. Encumbrances

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

6. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits with original maturities of three months 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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Cash, Cash Equivalents and Investments - (Continued)

Under state law, the Clerk may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. Investments are stated at cost which approximates market.

7. Short-Term Interfund Receivables/Payables

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

8. Fixed Assets

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

9. Compensated Absences

Employees accrue vacation leave at the rate of 10 to 25 days per year, according to years of service with the Clerk's office. A maximum of 5 days of vacation leave can be carried forward to the succeeding year. Vacation leave in excess of the carry forward amount is forfeited. Employees accrue sick leave at a rate of 6 to 12 days per year, according to years of service with the Clerk's office. Employees are allowed to carry forward a maximum of 30 days of unused sick leave from year to year. Upon termination, or at retirement, employees are paid for unused sick leave at the discretion of the Clerk. At retirement, employees are paid for all accrued vacation leave.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Compensated Absences - (Continued)

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

10. Long-Term Obligations

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

11. Total Column on Balance Sheet

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

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 1999, the Clerk of Court has cash and cash equivalents (book balances) totaling \$2,837,654

Petty cash	\$ 400
Interest-bearing demand deposits	<u>2,837,254</u>
Total	<u>\$2,837,654</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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

Investments at June 30, 1999 consist of certificates of deposit totaling \$3,220,000.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS - (Continued)

These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Clerk has \$6,537,332 in deposits (collected bank balances) which includes investments in certificates of deposits of \$3,220,000. These deposits are secured from risk by \$700,000 of federal deposit insurance and \$5,837,332 of pledged securities held by the custodial bank in the name of the 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 bank has failed to pay deposited funds upon demand.

NOTE C - RECEIVABLES

The receivables of \$107,453 at June 30, 1999 consisted of the following:

Criminal costs	\$ 38,955
Interest	2,723
Court attendance	1,175
Recordation	62,952
Miscellaneous	<u>1,948</u>
	<u>\$107,753</u>

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



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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE D - FIXED ASSETS

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

	Balance June 30, <u>1998</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>1999</u>
Office equipment and furniture	\$1,556,478	\$ 128,707	\$ 3,157	\$1,682,028
Automotive equipment	24,249	-	-	24,249
Software	131,000	-	-	131,000
Building improvements	<u>204,434</u>	<u>-</u>	<u>-</u>	<u>204,434</u>
Total	<u>\$1,916,161</u>	<u>\$ 128,707</u>	<u>\$ 3,157</u>	<u>\$2,041,711</u>

Total capital outlays reflected in the accompanying financial statements for the General Fund totaled \$135,016. This amount is different from total additions of \$128,702 due to items purchased below \$50 which is the Clerk's cutoff for capitalizing assets and for other non-capitalizable items.

NOTE E - LEASES

The Clerk is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the Clerk's account groups. Rent payments of \$118,553 were made during the year ended June 30, 1999. The following is a schedule of future minimum rental payments:

<u>Year Ending June 30</u>	<u>Buildings</u>	<u>Copiers</u>	<u>Total</u>
2000	\$ 56,700	\$ 29,989	\$ 86,689
2001	725	10,080	10,805
2002	<u>-</u>	<u>435</u>	<u>435</u>
Total minimum lease payments	<u>\$ 57,425</u>	<u>\$ 40,504</u>	<u>\$ 97,929</u>

The Land Records Building lease term ends on June 30, 2000. The Clerk has the option to renew the building lease within ninety days of termination for an additional four years at \$5,000 a month.



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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE F - COMPENSATED ABSENCES

At June 30, 1999, employees of the Clerk of Court have accumulated and vested \$114,726 of employee leave benefits. This amount is recorded within the general long-term debt account group.

NOTE G - CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the changes in general long-term obligations for the year ended June 30, 1999:

	Balance June 30, 1998	Additions (Reductions)	Balance June 30, 1999
Compensated absences	<u>\$ 102,478</u>	<u>\$ 12,248</u>	<u>\$114,726</u>

NOTE H - INTERFUND TRANSACTIONS

Individual balances due from/to other funds at June 30, 1999 consisted of fees in the amount of \$32,129 charged by the General Fund to the Advance Deposit Fund for services performed in maintaining advance deposit accounts.

NOTE I - RISK MANAGEMENT

The Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk, along with other Clerks of Court in the State of Louisiana, formed the Clerks of Court Self-Insurance Association Fund (CSIAF). It is a public entity risk pool currently operating as a common risk management and insurance program for 36 member Clerks of Court. The Clerks pay an annual premium to CSIAF for their general insurance coverage. The Articles of Association of the CSIAF provides that CSIAF will be self-sustaining through member premiums. The CSIAF pays claims, in excess of the Clerk's deductible of \$7,500, up to a maximum limit of 1,000,000 for each insured event. During the year ended June 30, 1999, no claims were made against the St. Tammany Parish Clerk of Court for risks covered by the CSIAF.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE J - PENSION PLAN

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 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 St. Tammany Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the St. Tammany Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised 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 St. Tammany Parish Clerk of Court's contributions to the System for the years ending June 30, 1999, 1998, and 1997 were \$256,285, \$232,241, and \$255,727, respectively, equal to the required contributions for each year.

NOTE K - POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note K, the Clerk provides post employment health care and life insurance benefits to all employees who retire from the Clerk under the same restrictions as in the above note. As of June 30, 1999, there were 15 retired employees participating in the post employment health care and life plan.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE K - POST EMPLOYMENT BENEFITS - (Continued)

The benefits for the covered employees are provided through an insurance company whose monthly premiums are paid jointly by the employee/retiree and by the Clerk. The cost of providing these benefits for the retirees is separable from the cost of providing benefits for active employees and are recorded on a pay-as-you-go basis (cash basis). The Clerk's portion of the total premiums for the fiscal year ended June 30, 1999 aggregated \$366,852. For the year ended June 30, 1999, the cost of retiree benefits included in total paid premiums was \$24,316.

NOTE L - DEFERRED COMPENSATION PLAN

The Clerk offers her employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable 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 beneficiary) solely the property and rights of the Clerk (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Clerk's general creditors. Participants' rights under the plan are equal to those of general creditors of the Clerk in an amount equal to the fair market value of the deferred account for each participant.

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

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

NOTE M - CONTINGENT LIABILITIES

From time to time, the Clerk is involved as a defendant in actual or threatened litigation which is not covered by insurance. At June 30, 1999, there were no pending or threatened claims which, in the opinion of the Clerk's legal advisors, would have a material adverse affect on the financial statements, should such claims be settled in favor of the plaintiffs.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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

Louisiana R.S. 13:784 requires the Police Jury to provide the Clerk with all necessary office furniture, equipment, and record books. During the year ended June 30, 1999, as well as for several years prior thereto, items provided by the Police Jury have been limited to certain office and storage space and utilities.

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

NOTE O - 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 her term of office. At June 30, 1999, there would be no amount due the Parish Treasurer because the General Fund's fund balance does not exceed one-half of the revenues of the Clerk of Court.

NOTE P - CLERK'S COMPENSATION

The Clerk's compensation for the year ended June 30, 1999, as established by law for salary, statutory allowance, and custodian of voting machines was \$76,050, \$7,605, and \$2,400, respectively.



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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE Q - CHANGES IN AGENCY FUND BALANCE

The following is 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	\$ 1,989,015	\$3,083,121	\$ 2,644,709	\$2,427,427
Registry of Court	<u>2,027,917</u>	<u>1,034,540</u>	<u>841,403</u>	<u>2,221,054</u>
Total	<u>\$ 4,016,932</u>	<u>\$4,117,661</u>	<u>\$ 3,486,112</u>	<u>\$4,648,481</u>



COMBINING STATEMENTS AND INDIVIDUAL  
FUND SCHEDULES

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

June 30, 1999

GENERAL FUND

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

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

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

SCHEDULE OF REVENUES  
GOVERNMENTAL FUND TYPE - GENERAL FUND

For the Year Ended June 30, 1999

	<u>1999</u>
Marriage licenses	\$ <u>36,481</u>
Court costs, fees, and charges:	
Fees-advance deposit	1,467,009
Criminal costs	400,302
Court attendance	<u>9,960</u>
	<u>1,877,271</u>
Recording of legal documents:	
Recording	2,255,946
Cancellations	164,976
Certificates	67,229
Redemptions	11,895
Police Jury costs	<u>19,813</u>
	<u>2,519,859</u>
Certified copies	<u>266,044</u>
Miscellaneous:	
Election fees	27,897
Computer time	18,460
Passports	21,201
Supplemental payments	11,825
Other	<u>600</u>
	<u>79,983</u>
Tornado insurance reimbursement	266,860
Interest	<u>149,413</u>
	<u>416,273</u>
Total Revenues	<u>\$5,195,911</u>

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

SCHEDULE OF EXPENDITURES  
GOVERNMENTAL FUND TYPE - GENERAL FUND

For the Year Ended June 30, 1999

	<u>1999</u>
Administration:	
Personal services	\$ 298,667
Operating services	174,590
Materials and supplies	25,991
Travel and other charges	14,218
Capital outlays	<u>16,037</u>
	<u>529,503</u>
Recordings and filings:	
Personal services	604,568
Operating services	49,603
Materials and supplies	68,731
Travel and other charges	2,795
Capital outlays	<u>29,020</u>
	<u>754,717</u>
Mortgage certificates:	
Personal services	425,609
Operating services	58,131
Materials and supplies	19,992
Travel and other charges	1,174
Capital outlays	<u>22,774</u>
	<u>527,680</u>
Civil suits and probate:	
Personal services	998,747
Operating services	67,865
Materials and supplies	44,600
Travel and other charges	1,059
Capital outlays	<u>14,349</u>
	<u>1,126,620</u>

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

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

Year Ended June 30, 1999

	<u>1999</u>
Criminal suits and minutes:	
Personal services	864,896
Operating services	99,155
Materials and supplies	19,230
Travel and other charges	1,877
Capital outlays	<u>10,179</u>
	<u>995,337</u>
Elections:	
Personal services	108,081
Operating services	1,227
Materials and supplies	1,006
Travel and other charges	23,923
Capital outlays	<u>13,573</u>
	<u>147,810</u>
Accounting and maps:	
Personal services	93,937
Operating services	21,775
Materials and supplies	16,879
Travel and other charges	2,403
Capital outlays	<u>29,084</u>
	<u>164,078</u>
Total Expenditures	<u>\$4,245,745</u>



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

AGENCY FUNDS

ADVANCE DEPOSIT FUND

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account 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 which have been ordered by the court to be held until final judgment has been rendered in court litigation. Withdrawal of the funds can be made only upon order of the court.

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

COMBINING BALANCE SHEET  
 AGENCY FUNDS

June 30, 1999

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 319,556	\$2,221,054	\$2,540,610
Investments	<u>2,140,000</u>	<u>-</u>	<u>2,140,000</u>
Total assets	<u>\$2,459,556</u>	<u>\$2,221,054</u>	<u>\$4,680,610</u>
<b>LIABILITIES</b>			
Due to general fund	\$ 32,129	\$ -	\$ 32,129
Unsettled deposits	<u>2,427,427</u>	<u>2,221,054</u>	<u>4,648,481</u>
Total liabilities	<u>\$2,459,556</u>	<u>\$2,221,054</u>	<u>\$4,680,610</u>

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

SCHEDULE OF CHANGES IN UNSETTLED DEPOSITS  
AGENCY FUNDS

For the Year Ended June 30, 1999

	Advance Deposit Fund	Registry of Court Fund	Total
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	\$1,989,015	\$2,027,917	\$4,016,932
ADDITIONS			
Deposits:			
Suits and successions	3,081,537	-	3,081,537
Judgments	-	978,577	978,577
Interest earned on investments	<u>1,584</u>	<u>55,963</u>	<u>57,547</u>
Total additions	<u>3,083,121</u>	<u>1,034,540</u>	<u>4,117,661</u>
Total	5,072,136	3,062,457	8,134,593
REDUCTIONS			
Settlements to litigants	356,741	841,403	1,198,144
Clerk costs	1,412,757	-	1,412,757
Sheriff's fees	309,318	-	309,318
Other	257,515	-	257,515
Police Jury costs	149,244	-	149,244
22nd Judicial District Court Fund	77,787	-	77,787
Stenographer fees	44,480	-	44,480
Jury expenses	17,039	-	17,039
Secretary of State	11,475	-	11,475
Court of Appeals	<u>8,353</u>	<u>-</u>	<u>8,353</u>
Total reductions	<u>2,644,709</u>	<u>841,403</u>	<u>3,486,112</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u>\$2,427,427</u>	<u>\$2,221,054</u>	<u>\$4,648,481</u>

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

(A LIMITED LIABILITY COMPANY)

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Malise Prieto  
St. Tammany Parish Clerk of Court  
St. Tammany Parish, Louisiana

We have audited the financial statements of the St. Tammany Parish Clerk of Court, as of and for the year ended June 30, 1999 and have issued our report thereon dated November 19, 1999. 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 St. Tammany 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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered St. Tammany 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 matters in the internal control over financial reporting that might be material weakness. 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.

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

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

November 19, 1999