

11/17/99
9/1/99

**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1999
With Supplemental Information Schedules**

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 SEP 01 1999

**VERNON R
COON**
CERTIFIED PUBLIC ACCOUNTANT

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended June 30, 1999
With Supplemental Information Schedules

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditor's Report		2
General Purpose Financial Statements:		
Combined Balance Sheet, June 30, 1999 - All Fund Types and Account Groups	A	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	6
Governmental Fund Type - General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual	C	7
Notes to the Financial Statements		8
Supplemental Information Schedules:		
Fiduciary Fund Type - Agency Funds:		
Combining Balance Sheet, June 30, 1999	1	20
Schedule of Changes in Deposits Due Others	2	21
Year 2000 Issue	3	22
Independent Auditor's Reports Required by Government Auditing Standards:		
Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting		24
Schedule of Findings and Questioned Costs	4	26
Summary Schedule of Prior Audit Findings	5	27



MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

116 PROFESSIONAL DRIVE,
WEST MONROE,
LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630

Independent Auditor's Report

Honorable Jamie Patrick
Morehouse Parish Clerk of Court
Bastrop, Louisiana

I have audited the general purpose financial statements of the Morehouse Parish Clerk of Court, a component unit of the Morehouse Parish Police Jury, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Morehouse Parish Clerk of Court's 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 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 Morehouse Parish Clerk of Court, as of June 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Morehouse Parish Clerk of Court
Bastrop, Louisiana
Independent Auditor's Report,
June 30, 1999

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Morehouse Parish Clerk of Court. Such information, except for the schedule on the Year 2000 Issue which is marked unaudited, 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.

The year 2000 supplementary information on page 22 is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Year 2000 supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Morehouse Parish Clerk of Court is or will be year 2000 compliant, that the Morehouse Parish Clerk of Court's remediation efforts will be successful in whole or in part, or that parties with which the Morehouse Parish Clerk of Court does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued reports dated July 23, 1999, on the Morehouse Parish Clerk of Court's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control over financial reporting.



West Monroe, Louisiana
July 23, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL FUND TYPE - GENERAL FUND	FIDUCIARY FUND TYPE - AGENCY FUNDS	...ACCOUNT GROUPS... GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	\$175,501	\$356,354			\$531,855
Receivables	17,664	33,009			50,673
Other assets	500				500
Prepaid expenses	5,206				5,206
Office furnishings and equipment			\$371,506		371,506
Amount to be provided for retirement of general long- term obligations				\$61,486	61,486
TOTAL ASSETS AND OTHER DEBITS	<u>\$198,871</u>	<u>\$389,363</u>	<u>\$371,506</u>	<u>\$61,486</u>	<u>\$1,021,226</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$3,679				\$3,679
Deposits due others		389,363			389,363
Capital lease payable				\$45,215	45,215
Compensated absences payable				16,271	16,271
Total Liabilities	<u>3,679</u>	<u>389,363</u>	<u>NONE</u>	<u>61,486</u>	<u>454,528</u>
Fund Equity:					
Investment in general fixed assets			\$371,506		371,506
Fund balance - unreserved - undesignated	195,192				195,192
Total Fund Equity	<u>195,192</u>	<u>NONE</u>	<u>371,506</u>	<u>NONE</u>	<u>566,698</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$198,871</u>	<u>\$389,363</u>	<u>\$371,506</u>	<u>\$61,486</u>	<u>\$1,021,226</u>

The accompanying notes are an integral part of this statement

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

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

REVENUES

Licenses and permits - marriage licenses	\$5,423
Intergovernmental revenues - state funds - clerk's supplemental compensation	11,825
Fees, charges, and commissions for services:	
Court costs, fees, and charges	277,817
Fees for recording legal documents	155,865
Fees for certified copies of documents	60,150
Criminal fees	23,004
Court attendance	4,580
UCC fees	56,970
Other	50,309
Bond forfeitures	742
Use of money and property - interest earnings	17,602
Other	13,006
Total revenues	<u>677,293</u>

EXPENDITURES

General government - judicial:	
Current:	
Personal services and related benefits	422,178
Operating services	74,891
Materials and supplies	29,353
Travel and other charges	54,412
Capital outlay	82,100
Total expenditures	<u>662,934</u>

EXCESS OF REVENUES OVER EXPENDITURES 14,359

OTHER FINANCING SOURCE

Proceeds from capital lease 45,215

**EXCESS OF REVENUES AND OTHER
SOURCE OVER EXPENDITURES**

59,574

FUND BALANCE AT BEGINNING OF THE YEAR

135,618

FUND BALANCE AT END OF THE YEAR

\$195,192

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

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

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Licenses and permits - marriage licenses	\$5,040	\$5,423	\$383
Intergovernmental revenues - state funds - clerk's supplemental compensation	11,825	11,825	
Fees, charges, and commissions for services:			
Court costs, fees, and charges	279,300	277,817	(1,483)
Fees for recording legal documents	147,500	155,865	8,365
Fees for certified copies of documents	58,025	60,150	2,125
Criminal fees	21,700	23,004	1,304
Court attendance	4,100	4,580	480
UCC fees	54,000	56,970	2,970
Other	38,235	50,309	12,074
Bond forfeitures	350	742	392
Use of money and property - interest earnings	13,670	17,602	3,932
Other	12,351	13,006	655
Total revenues	<u>646,096</u>	<u>677,293</u>	<u>31,197</u>
EXPENDITURES			
General government - judicial:			
Current:			
Personal services and related benefits	426,975	422,178	4,797
Operating services	116,874	74,891	41,983
Materials and supplies	27,505	29,353	(1,848)
Travel and other charges	42,055	54,412	(12,357)
Capital outlay	6,885	36,885	(30,000)
Total expenditures	<u>620,294</u>	<u>617,719</u>	<u>2,575</u>
EXCESS OF REVENUES OVER EXPENDITURES	25,802	59,574	33,772
FUND BALANCE AT BEGINNING OF THE YEAR	<u>212,063</u>	<u>135,618</u>	<u>(76,445)</u>
FUND BALANCE AT END OF THE YEAR	<u>\$237,865</u>	<u>\$195,192</u>	<u>(\$42,673)</u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 shall have other duties and powers provided by law. The clerk of court is elected for a term of four years.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a codification of governmental accounting and financial reporting standards (1997). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

Morehouse Parish Clerk of Court
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

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 the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Morehouse 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.

B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk 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 is used to account 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 Funds - Agency Funds

The Advance Deposit and Registry of Court agency funds are used to 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.

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the parish police jury are recorded in the general fixed assets account group. Approximately 10 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 90 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets.

Long-term obligations, such as capital leases payable are recognized as a liability of a governmental fund only when due. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The clerk of court uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Recordings, cancellations, court attendance, criminal costs, and other fees, charges and commissions for services, are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

Other Financing Sources

Increases in capital leases are accounted for as other financing sources and are recognized when the underlying events occur.

E. BUDGET PRACTICES

A proposed budget, prepared on the modified accrual basis of accounting, except for the exclusion of capital lease transactions (Non-GAAP), is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the

Morehouse Parish Clerk of Court
 Bastrop, Louisiana
 Notes to the Financial Statements (Continued)

Morehouse Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not utilized by the clerk.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the clerk of court has cash and cash equivalents (book balances) totaling \$531,855, as follows:

Petty Cash	\$100
Demand Deposits	221,755
Time Deposits	<u>310,000</u>
Total	<u>\$531,855</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. Cash and cash equivalents (bank balances) at June 30, 1999, are secured as follows:

Bank Balances	<u>\$574,572</u>
Federal deposit insurance	\$489,548
Pledged securities (uncollateralized)	<u>405,000</u>
Total	<u>\$894,548</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the clerk, they are considered uncollateralized

(Category 3) under the provisions of GASB Codification C20.106; however, 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. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the clerk's name.

G. VACATION AND SICK LEAVE

All employees of the clerk of court's office earn from ten to fifteen days of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the clerk's office earn ten days of sick leave annually. A maximum of 420 hours (60 days) sick leave may be accumulated and carried forward to the succeeding calendar year. Under the clerk's current policy, employees are not paid for accumulated sick leave upon termination of employment. However, the policy of the prior administration allowed for sick leave to be accrued at an unlimited amount and that employees would be paid for their time upon separation from employment. The compensated absence payable reflected on Statement A is the balance of sick leave remaining from the prior administration.

At June 30, 1999, employees had accumulated and vested \$16,271 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current year expenditure within the General Fund when leave is actually taken.

H. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 1999.

I. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. RECEIVABLES

The receivables of \$50,673 as of June 30, 1999, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Suits and successions		\$33,009	\$33,009
Recordings, Cancellations, Mortgages, etc.	\$14,112		14,112
Court Attendance	440		440
Criminal Fees	557		\$557
Miscellaneous	2555		2,555
Total	<u>\$17,664</u>	<u>\$33,009</u>	<u>\$50,673</u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, July 1, 1998	\$289,406
Additions	82,100
Deletions	<u>NONE</u>
Balance, June 30, 1999	<u>\$371,506</u>

4. PENSION PLAN

Substantially all employees of the Morehouse 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.

Morehouse Parish Clerk of Court
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

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 or 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.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Morehouse Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.0 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 Morehouse 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 Morehouse Parish Clerk of Court's contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$33,228, \$32,148, and \$32,517, respectively, equal to the required contributions for each year.

5. POST RETIREMENT BENEFITS

The Morehouse Parish Clerk of Court provides certain health care and life insurance benefits for retired employees. Substantially all of the clerk's employees become eligible for these benefits if they reach normal retirement age while working for the clerk of court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the clerk of court. The clerk of court recognizes the cost of providing these benefits (the clerk's cost of premiums) as an expenditure when the premiums are due. For the years ended June 30, 1999, the total amount of premiums paid were \$37,702, while the amount paid for retirees totaled \$5,618.

Morehouse Parish Clerk of Court
 Bastrop, Louisiana
 Notes to the Financial Statements (Continued)

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 1999:

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations			
At January 1, 1998		\$17,328	\$17,328
Additions	\$45,215		45,215
Deductions		(1,605)	(1,605)
Adjustments ¹		548	548
Long-term obligations			
At December 31, 1998	<u>\$45,215</u>	<u>\$16,271</u>	<u>\$61,486</u>

¹ As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay.

7. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances deposits due others follows:

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Balance, July 1, 1998	\$263,225	\$124,089	\$387,314
Additions	492,142	73,263	565,405
Reductions	<u>(454,640)</u>	<u>(108,716)</u>	<u>(563,356)</u>
Balance June 30, 1999	<u>\$300,727</u>	<u>\$88,636</u>	<u>\$389,363</u>

8. LITIGATION AND CLAIMS

The Morehouse Parish Clerk of Court is not involved in any litigation at June 30, 1999, nor is the clerk aware of any unasserted claims.

Morehouse Parish Clerk of Court
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

**10. EXPENDITURES OF THE CLERK OF COURT
PAID BY THE PARISH POLICE JURY**

The Morehouse Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Morehouse Parish Police Jury.

SUPPLEMENTAL INFORMATION SCHEDULES

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1999

FIDUCIARY FUND TYPE - 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 which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1999

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$267,718	\$88,636	\$356,354
Receivables	<u>33,009</u>		<u>33,009</u>
TOTAL ASSETS	<u>\$300,727</u>	<u>\$88,636</u>	<u>\$389,363</u>
 Liabilities - Due to Others	 <u>\$300,727</u>	 <u>\$88,636</u>	 <u>\$389,363</u>

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 1999

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
UNSETTLED DEPOSITS DUE TO OTHERS AT BEGINNING OF YEAR	<u>\$263,225</u>	<u>\$124,089</u>	<u>\$387,314</u>
ADDITIONS			
Deposits in suits	492,142	70,924	563,066
Interest earned in investments		<u>2,339</u>	<u>2,339</u>
Total additions	<u>492,142</u>	<u>73,263</u>	<u>565,405</u>
Total	<u>755,367</u>	<u>197,352</u>	<u>952,719</u>
REDUCTIONS			
Clerk's costs (transferred to General Fund)	277,894		277,894
Deposits settled to:			
Litigants	73,402	108,716	182,118
Appraisers, curators, and keepers	4,836		4,836
Sheriff	45,487		45,487
Other reductions	<u>53,021</u>		<u>53,021</u>
Total reductions	<u>454,640</u>	<u>108,716</u>	<u>563,356</u>
UNSETTLED DEPOSITS DUE TO OTHERS AT END OF YEAR	<u>\$300,727</u>	<u>\$88,636</u>	<u>\$389,363</u>

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended June 30, 1999

YEAR 2000 ISSUE (Unaudited)

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 Morehouse Parish Clerk of Court has completed an inventory of computer systems that may be affected by the year 2000 issue and that are critical to conducting operations of the clerk's office. The clerk has identified the following system requiring 2000 remediation; a financial reporting system. All testing and validation of this system has been performed.

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 clerk is or will be Year 2000 ready, that the clerk's remediation efforts will be successful in whole or part, or that parties with whom the clerk does business will be year 2000 ready.

**Independent Auditor's Reports Required
by *Government Auditing Standards***

The following independent auditor's reports on compliance and internal control over financial reporting are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

116 PROFESSIONAL DRIVE,
WEST MONROE,
LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630

Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting

Honorable Jamie Patrick
Morehouse Parish Clerk of Court
Bastrop, Louisiana

I have audited the general purpose financial statements of the Morehouse Parish Clerk of Court as of June 30, 1999, and for the year then ended and have issued my report thereon dated July 23, 1999. I conducted my 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 Morehouse Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial 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*. I also noted an immaterial instance of noncompliance, which I have reported to management of the Morehouse Parish Clerk of Court in a separate letter dated July 23, 1999.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Morehouse 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 financial statements and not to provide assurance on the internal control over financial reporting. 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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned

Morehouse Parish Clerk of Court
Bastrop, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 1999

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 Morehouse Parish Clerk of Court. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be 'V. Smith', written in a cursive style.

West Monroe, Louisiana
July 23, 1999

**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1999**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Morehouse Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of the Morehouse Parish Clerk of Court were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana**

**Summary Schedule of Prior Audit Findings
As of and for the Year Ended June 30, 1999**

There were no audit findings reported in the audit for the two years ended June 30, 1998.



RECEIVED
11/26/99

99 JUL 26 11 0:50

July 23, 1999

MANAGEMENT LETTER

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

In planning and performing my audit of the Morehouse Parish Clerk of Court's financial statements for the year ended June 30, 1999, a certain matter came to my attention which I feel should be conveyed to management of the clerk. This matter, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, is an item which I feel should be brought to your attention.

FAILURE TO FILE REPORTS WITH POLICE JURY

For the two years ended June 30, 1998 the clerk failed to file required annual reports with the police jury. Louisiana Revised Statute (LRS) 42:283 requires the clerk of court to file a written itemized report showing the expenditures made by his office. In addition, LRS 42:284 provides a list of reports by category that should be filed. The clerk was unaware of these statutes and therefore did not file these reports or the audit report for the two years ended June 30, 1998 which has much of the required information in it. It should be noted that the clerk has filed the required reports with the police jury for the year ended June 30, 1999 with the police jury office.

GENERAL

I am available to assist you with any problems or questions you may have concerning the above or any other matters.

Respectfully,

Vernon R. Coon

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

116 PROFESSIONAL DRIVE,
WEST MONROE,
LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630