

AVOUELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Concluded)

11. EXPENDITURES OF CLERK OF COURT PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the clerk's office are paid by the parish police jury are not included in the accompanying financial statements. These expenditures are summarized as follows:

Microfilm	\$ 9,528
Other	<u>769</u>
Total	<u>\$ 10,297</u>

AVOUELLES PARISH CLERK OF COURT
Marksville, Louisiana

General Purpose Financial Statements
As of and for the Year Ended June 30, 1996

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Major & Ducote
Certified Public Accountants

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MEMBERS:
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CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The Honorable Samuel G. Couvillon
Avoyelles Parish Clerk of Court
Marksville, Louisiana


We have audited the accompanying general purpose financial statements of the Avoyelles Parish Clerk of Court as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Avoyelles Parish Clerk of Court management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. 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 Avoyelles Parish Clerk of Court as of June 30, 1996, 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 a report dated October 21, 1996 on our consideration of the Clerk's internal control structure and a report dated October 21, 1996 on its compliance with laws and regulations.

The financial information for the preceding year, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose, combining, individual fund, and account group financial statements of the Avoyelles Parish Clerk of Court.


MAJOR & DUCOTE
Marksville, Louisiana
October 21, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

AVOUELLES PARISH CLERK OF COURT
Marksville, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1996

	General Fund	Fiduciary or Agency Funds	General Fixed Asset Group	Memorandum Only Current Year
ASSETS				
Cash and cash equivalents	\$ 503,992	\$ 717,354	\$ -	\$ 1,221,346
Receivables	45,452	-	-	45,452
Due from other funds	-	850	-	850
Accrued interest receivable	7,048	-	-	7,048
Prepays	-	-	-	-
Office furnishings & equip	-	-	253,033	253,033
TOTAL ASSETS	\$ 556,492	\$ 718,204	\$ 253,033	\$ 1,527,729
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 15,631	\$ -	\$ -	\$ 15,631
Due to other funds	850	-	-	850
Payroll deductions payable	11,146	-	-	11,146
Unsettled deposits	-	718,204	-	718,204
TOTAL LIABILITIES	27,627	718,204	-	745,831
FUND EQUITY				
Invest in general fixed assets				
Invest in gen fixed assets	-	-	253,033	253,033
Fund balance				
Unreserved - designated				
subsequent year expenditures	160,000	-	-	160,000
Unreserved - undesignated	368,865	-	-	368,865
TOTAL FUND EQUITY	528,865	-	253,033	781,898
TOTAL LIABILITIES AND FUND EQUITY	\$ 556,492	\$ 718,204	\$ 253,033	\$ 1,527,729

The accompanying notes are an integral part of this financial statement.

Memorandum Only
Prior Year

\$	1,043,739
	13,037
	-
	4,821
	4,800
	235,310
<hr/>	
\$	1,301,707
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\$	10,792
	-
	10,016
	689,407
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	710,215
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235,310

356,182

591,492

\$	1,301,707
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AVOUELLES PARISH CLERK OF COURT
Marksville, Louisiana

GOVERNMENTAL FUND — GENERAL FUND

Statement of Revenues, Expenditures, and Changes In Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1996
With Comparative Totals for June 30, 1995

	Budget	Actual	Variance— favorable (unfavorable)	June 30, 1995 Actual
REVENUES				
Licenses and permits	\$ 4,000	\$ 4,764	\$ 764	\$ 5,184
Fees, charges, & commissions				
Court costs, fees, & charges	325,000	402,047	77,047	362,792
Fees for recording legal docs	160,000	265,814	105,814	170,042
Fees for cert copies of docs	14,000	31,956	17,956	15,647
Criminal Search Fees	-	7,160	7,160	-
Miscellaneous	500	280	(220)	493
Use of money & property				
Interest earnings	24,000	37,355	13,355	29,747
TOTAL REVENUES	527,500	749,376	221,876	583,905
EXPENDITURES				
General government				
Personal svc & related benefit	370,000	405,473	(35,473)	362,527
Operating Services	80,000	96,170	(16,170)	86,092
Materials & Supplies	50,000	51,468	(1,468)	55,031
Travel & other charges	6,000	5,800	200	6,603
Debt Service	-	59	(59)	-
Capital Outlay	5,000	17,723	(12,723)	9,554
Total General government	511,000	576,693	(65,693)	519,807
TOTAL EXPENDITURES	511,000	576,693	(65,693)	519,807
Excess (deficiency) of revenues over expenditures	16,500	172,683	156,183	64,098
Fund Balances at beginning of year	356,182	356,182	-	292,084
Fund Balances at end of year	\$ 372,682	\$ 528,865	\$ 156,183	\$ 356,182

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Because the police jury's financial statements would be misleading if data of the clerk of court were not included in the reporting entity financial statement, due to the nature and significance of their relationship, the clerk of court was determined to be a component unit of the Avoyelles Parish Police Jury, the financial reporting entity. The accompanying financial statements present information on the police, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

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

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

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

General Fund

The General fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Agency Funds

The Advance Deposit and Registry of Court Agency Funds account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying 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:

AVOUELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. COMPENSATING ABSENCES

The clerk of court has the following policy relating to vacation and sick leave: Employees of the clerk's office earn two weeks of vacation leave each year. Vacation leave must be used in the year earned. Employees are allowed seven days of sick leave each year. Sick leave is noncumulative.

There are no accumulated and vested vacation and sick leave benefits which require accrual to conform with generally accepted accounting principles.

I. 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. There were no long-term obligations outstanding at June 30, 1996.

J. FUND EQUITY

Reserves

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

Designated Fund Balances

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

K. 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.

2. CASH AND CASH EQUIVALENTS

At June 30, 1996, the clerk of court has cash and cash equivalents (book balances) totaling \$1,221,346 as follows:

Petty cash	\$ 50
Demand deposits	102,639
Interest bearing demand deposits	323,657
Time deposits	<u>795,000</u>
Total	<u>\$1,221,346</u>

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

Notes to Financial Statements, (Continued)

2. CASH AND CASH EQUIVALENTS, (Continued)

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 pledge 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 parities. At June 30, 1996, the clerk has \$1,262,864 on deposit (collected bank balances). These deposits are secured from risk by \$827,864 of federal deposit insurance and \$822,561 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. RECEIVABLES

Accounts receivable in the general fund totaled \$45,452 at June 30, 1996 detailed as follows:

Current	\$ 17,961
Over 30 days	7,955
Over 60 day	<u>19,536</u>
Total	<u>\$ 45,452</u>

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Office Furnishings and Equipment-	
Balance June 30, 1995	\$235,310
Fiscal 1995-96:	
Additions	17,723
Deletions	<u>-</u>
Balance June 30, 1996	<u>\$253,033</u>

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**AVOUELLES PARISH CLERK OF COURT
MARKSVILLE, LOUISIANA**

**FINANCIAL REPORT
JUNE 30, 1996**

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 DEC 18 1996

MAJOR & DUCOTE
Certified Public Accountants
P. O. Box 309
219 North Washington St.
Marksville, LA 71351

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

Notes to Financial Statements, (Continued)

7. OTHER POSTRETIREMENT BENEFITS

The Avoyelles Parish Clerk of Court provides certain continuing 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 portion of premiums) as an expenditure when the monthly premiums are due. The cost of providing these benefits for the 2 retirees is not separable from the cost of providing benefits for the 14 active employees.

8. 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, 1996, there was no amount due the parish treasurer as the General Fund's unreserved/undesignated fund balance at June 30, 1996, did not exceed one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office.

9. COMPENSATION OF ELECTED OFFICIAL

A detail of compensation paid to the Avoyelles Parish Clerk of Court, Samuel G. Couvillon out of the General Fund Revenues for the year end June 30, 1996 is as follows:

Salary	\$ 46,741
Expense allowance	7,149
Election compensation	2,100
Supplementary Pay	<u>9,000</u>
Total Compensation	<u>\$ 64,990</u>

10. LITIGATION

At June 30, 1996, the Avoyelles Parish Clerk of Court was not involved in any litigation and legal counsel is not aware of any unasserted claims.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements
As of and for the Year Ended June 30, 1996

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 financial statements of the Avoyelles Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Avoyelles Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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 cost 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 had been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

AVOUELLES PARISH CLERK OF COURT
 Marksville, Louisiana

Schedule C

FIDUCIARY FUNDS - AGENCY FUNDS

Combining Balance Sheet
 June 30, 1996

	Advance Deposit Fund	Registry of Court Fund	Memorandum Only Current Year	Memorandum Only Prior Year
ASSETS				
Cash and cash equivalents Due from other funds	\$ 393,698 850	\$ 323,656 -	\$ 717,354 850	\$ 689,407 -
TOTAL ASSETS	\$ 394,548	\$ 323,656	\$ 718,204	\$ 689,407
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Unsettled deposits	\$ 394,548	\$ 323,656	\$ 718,204	\$ 689,407
TOTAL LIABILITIES	\$ 394,548	\$ 323,656	\$ 718,204	\$ 689,407

AVOUELLES PARISH CLERK OF COURT
Marksville, Louisiana

Schedule D

FIDUCIARY FUNDS - AGENCY FUND

Combining Schedule of Changes in Unsettled Balances
For the Year Ended June 30, 1996

	Advance Deposit Fund	Registry of Court Fund	Memorandum Only Current Year	Memorandum Only Prior Year
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	\$ 356,446	\$ 332,961	\$ 689,407	\$ 615,230
Additions				
Deposits				
Suits & Successions	732,039	-	732,039	708,654
Judgements	-	128,522	128,522	218,138
Interest earnings on investments	-	7,678	7,678	7,269
Total Additions	732,039	136,200	868,239	934,061
Reductions				
Clerk's costs	363,481	-	363,481	326,783
Settlements to litigants	175,451	142,751	318,202	393,649
Attorney, curator, and notary	3,825	-	3,825	5,305
Judge's fees	20,876	-	20,876	26,151
Witnesses, appraisers, etc	1,261	-	1,261	5,192
Stenographer's fees	19	-	19	624
Sheriff's fees	87,551	-	87,551	81,756
Other reductions	41,473	2,754	44,227	20,424
Total Reductions	693,937	145,505	839,442	859,884
UNSETTLED DEPOSITS AT END OF YEAR	\$ 394,548	\$ 323,656	\$ 718,204	\$ 689,407

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

The following pages contain reports on the internal control structure and compliance with laws and regulations required by Governmental Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based on the audit of the financial statements and include, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Samuel G. Couvillon
Avoyelles Parish Clerk of Court
Marksville, Louisiana

We have audited the general purpose financial statements of the Avoyelles Parish Clerk of Court for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

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 general purpose financial statements are free of material misstatement.

The management of Avoyelles Parish Clerk of Court, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related cost of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

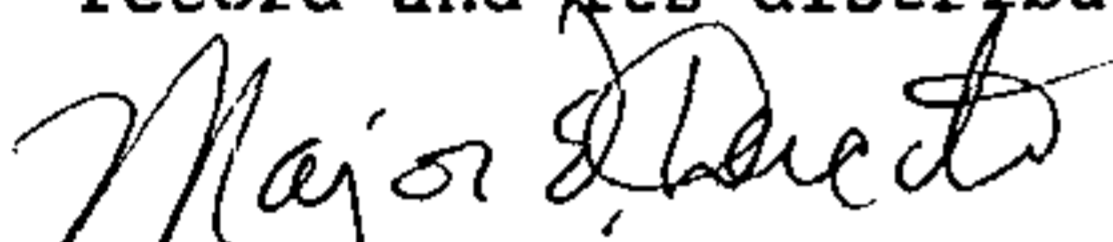
In planning and performing our audit of the general purpose financial statements of the Avoyelles Parish Clerk of Court for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The Honorable Samuel G. Couvillon
Page 2

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Avoyelles Parish Clerk of Court in a separate letter dated October 21, 1996.

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


MAJOR & DUCOTE
Marksville, Louisiana
October 21, 1996

Major & Ducote
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED
ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Samuel G. Couvillon
Avoyelles Parish Clerk of Court
Marksville, Louisiana

We have audited the general purpose financial statements of the Avoyelles Parish Clerk of Court, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Avoyelles Parish Clerk of Court is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Avoyelles Parish Clerk of Court's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Avoyelles Parish Clerk of Court in a separate letter dated October 21, 1996.

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



MAJOR & DUCOTE
Marksville, Louisiana
October 21, 1996

Major & Ducote
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Management Letter

Honorable Samuel G. Couvillion
Avoyelles Parish Clerk of Court
Marksville, LA 71351

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In planning and performing the audit of the general purpose financial statements of the Avoyelles Parish Clerk of Court for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. As noted in the financial report dated October 21, 1996, as a result of the audit work performed we noted no matters involving the internal control structure and its operation that we consider to be material weaknesses and/or reportable conditions. We do wish however, to communicate to you the following recommendations or comments which constitute immaterial instances involving the internal control structure or of noncompliance with laws and regulations as explained herein:

Finding 1) As pointed out in prior years, we wish to remind management that old outstanding checks be voided periodically, rather than continuing to carry them as cash reconciling items. In addition, cancellation or approval of invoices should be routinely followed in order to avoid duplication of payments and properly signify authorization by management.

Finding 2) The Advance Fund liability per the suit records exceeded the cash balances available at June 30, 1996 by \$1,263. Although this amount is believed immaterial and attributable to a clerical error, caution should be exercised, particularly in manual postings to the old suit records. A periodic comparison and reconciliation might also help prevent, or timely detect such errors.

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

Honorable Samuel G. Couvillion
Management Letter
October 21, 1996
Page 2

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the conditions described above is believed to be a material weakness.

This report is intended solely for the information and use of Avoyelles Parish Clerk of Court, management, and others within the administration. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Major Direct".

Marksville, Louisiana
October 21, 1996

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

Notes to Financial Statements, (Continued)

5. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$356,446	\$ 732,039	\$ 693,937	\$ 394,548
Registry of Court	332,961	136,200	145,505	323,656
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$689,407</u>	<u>\$ 868,239</u>	<u>\$ 839,442</u>	<u>\$ 718,204</u>

6. PENSION PLAN

Plan Description. Substantially all employees of the Avoyelles Parish Clerk of Court are members of the Louisiana Clerk 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 a 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. 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 Avoyelles Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.50 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 Avoyelles 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 Avoyelles Parish Clerk of Court's contributions to the System for the years ending June 30, 1996, 1995 and 1994, were \$40,665, \$32,863, and \$26,704 respectively, equal to the required contributions for each year.

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Revenues

Recordings, cancellations, court attendance, criminal cost, etc., are recorded in the year in which they are earned. Interest income on the time deposits is recorded when the time deposits have matured and the income is available. 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 1996 fiscal year was made available for public inspection at the clerk's office on June 8, 1995. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 30 days prior to the beginning of the fiscal year. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year end.

Formal budget integration (within the accounting records) 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. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. 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, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. 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. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are historical cost.