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TANGIPAHOLA PARISH CLERK OF COURT

AMITE, LOUISIANA

FINANCIAL REPORT

June 30, 1977

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 2-22-98

TANGIPAHOLA PARISH CLERK OF COURT

AMITE, LOUISIANA

**General Purpose Financial Statements
As of and for the Year Ended June 30, 1997
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable John Dehaene
Tangipahoa Parish Clerk of Court
Amite, Louisiana 70402

We have audited the accompanying general purpose financial statements of the Tangipahoa Parish Clerk of Court, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Tangipahoa Parish Clerk of Court's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Tangipahoa Parish Clerk of Court, Louisiana, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 1997 on our consideration of the Tangipahoa Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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


Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 12, 1997

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

STATEMENT A

Combined Balance Sheet
June 30, 1997

| | GOVERNMENTAL | | ACCOUNT GROUP | TOTAL (MEMORANDUM PAGE 1) |
|---|---------------------|----------------------------|-------------------|---------------------------------|
| | FUND | FIDUCIARY | | |
| | GENERAL FUND | FUNDS - AGENCY FUNDS | | |
| ASSETS AND OTHER DEBITS | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 1,642,804 | \$ 4,724,869 | \$ - | \$ 6,367,673 |
| Investments | - | 379,374 | - | 379,374 |
| Receivables | 71,373 | 1,343 | - | 72,716 |
| Due from other funds | 12,962 | 76,858 | - | 89,820 |
| Due from other governments | 6,309 | - | - | 6,309 |
| Land, buildings, and equipment | - | - | 512,987 | 512,987 |
| Other debts - amount to be provided for retirement of general long-term obligations | - | - | - | - |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$ 1,734,148</u> | <u>\$ 5,647,328</u> | <u>\$ 512,987</u> | <u>\$ 7,294,563</u> |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 25,517 | \$ - | \$ - | \$ 25,517 |
| Due to other funds | 76,858 | 13,862 | - | 90,720 |
| Unsettled deposits | - | 5,694,366 | - | 5,694,366 |
| Lease-purchase payable | - | - | - | - |
| Compensated absences payable | 26,894 | - | - | 26,894 |
| TOTAL LIABILITIES | <u>129,269</u> | <u>5,647,328</u> | <u>-</u> | <u>5,776,597</u> |
| Equity and Other Credits: | | | | |
| Investments in general fixed assets | - | - | 512,987 | 512,987 |
| Fund balances: | | | | |
| Reserved | 135,000 | - | - | 135,000 |
| Unreserved | 843,797 | - | - | 843,797 |
| Total Equity and Other Credits | <u>1,003,797</u> | <u>-</u> | <u>512,987</u> | <u>1,516,784</u> |
| TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS | <u>\$ 1,134,248</u> | <u>\$ 5,647,328</u> | <u>\$ 512,987</u> | <u>\$ 7,294,563</u> |

The accompanying notes are an integral part of these statements.

**TANGIPAHUA PARISH CLERK OF COURT
AMITE, LOUISIANA
GOVERNMENTAL FUND**

STATEMENT B

**Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997**

| | <u>GENERAL FUND</u> |
|---|----------------------------|
| REVENUES | |
| Licenses and permits | \$ 27,270 |
| Fees, charges, and commissions for services | |
| Court costs, fees, and charges | 880,259 |
| Fees for recording legal documents | 810,277 |
| Use of money and property - interest & dividends earnings | 161,715 |
| Miscellaneous | 40,547 |
| Total revenues | <u>1,919,068</u> |
| EXPENDITURES | |
| General government | |
| Personnel services and related benefits | 1,268,873 |
| Operating services | 158,879 |
| Materials and supplies | 197,868 |
| Travel and other charges | 23,812 |
| Capital expenditures | 56,848 |
| Total expenditures | <u>1,806,280</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>216,941</u> |
| OTHER FINANCING SOURCES | |
| Gain on sale of investments | 975 |
| Gain on Sale of Fixed Assets | 14,800 |
| Total other financing sources | <u>15,775</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES | 232,006 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>281,791</u> |
| FUND BALANCE AT END OF YEAR | \$ <u>1,093,787</u> |

The accompanying notes are an integral part of these statements.

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

STATEMENT C

**Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 1997**

| | GENERAL FUND | | |
|---|-------------------|-------------------|--|
| | BUDGET | ACTUAL | VARIANCE - FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Licenses and permits | \$ 27,000 | \$ 27,253 | \$ (257) |
| Fees, charges, and commissions for services: | | | |
| Court cost, fees, and charges | 889,250 | 886,250 | 3,000 |
| Fees for recording legal documents | 770,000 | 836,377 | 66,377 |
| Use of money and property-interest and dividends | 180,000 | 181,713 | 1,713 |
| Miscellaneous | 49,100 | 45,047 | 4,053 |
| Total revenues | <u>1,875,350</u> | <u>1,936,433</u> | <u>61,083</u> |
| EXPENDITURES | | | |
| General government: | | | |
| Personal services and related benefits | 1,268,674 | 1,269,673 | 1,000 |
| Operating services | 138,828 | 138,029 | 799 |
| Materials and supplies | 194,200 | 182,868 | 11,332 |
| Travel and other charges | 26,150 | 27,473 | (1,323) |
| Capital expenditures | 26,225 | 26,048 | 177 |
| Total expenditures | <u>1,684,287</u> | <u>1,684,081</u> | <u>206</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>191,063</u> | <u>252,352</u> | <u>61,287</u> |
| OTHER FINANCING SOURCES | | | |
| Gain on sale of investments | - | 920 | 920 |
| Gain on sale of fixed assets | 14,800 | 14,800 | - |
| Total other financing sources | <u>14,800</u> | <u>15,720</u> | <u>920</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES | <u>205,863</u> | <u>268,072</u> | <u>62,207</u> |
| FUND BALANCE BEGINNING OF YEAR | <u>721,711</u> | <u>721,711</u> | <u>-</u> |
| FUND BALANCE END OF YEAR | <u>\$ 927,574</u> | <u>\$ 989,783</u> | <u>\$ 62,209</u> |

The accompanying notes are an integral part of these statements.

TANGIPAHOLA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1997

INTRODUCTION

As provided by Article V, Section 18 of the Louisiana Constitution of 1874, the clerk of court serves as the ex-officio notary public; the recorder of mortgages, mortgages, and other acts; and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Tangipahola 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 Tangipahola Parish Council is the financial reporting entity for Tangipahola Parish. The financial reporting entity consists of (a) the primary government (parish), (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 Tangipahola Parish Council for financial reporting purposes. The basic criteria are for including a potential component unit within the reporting entity in financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council 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 council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
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 clerk of court is fiscally dependent on the council, the clerk of court was determined to be a component unit of the Tangipahola Parish Council, 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 council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

TANGIPAHOLA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1997

C. FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not accounted 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 13:331, 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 Funds account for assets held in 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 refers to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Revenues from recordings, copies, and other services are recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially all other revenues are recorded when received.

Expenditures

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

TANGIPAHOA PARISH CLERK OF COURT
Ambry, Louisiana

Notes to the Financial Statements
(Continued)

As of and for the Year Ended June 30, 1997

E. BUDGET PRACTICES

The proposed budget for the 1997 fiscal year was made available for public inspection at the clerk's office on June 5, 1996. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 18 days prior to the public hearing. The budget hearing was held at the clerk's office on June 14, 1996. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year end.

Formal budget integration is not employed as a management control device. Budget accounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

The clerk of court does not use an encumbrance accounting system.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the clerk of court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Fund Inc., (LAMF), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of Louisiana, which operates a local government investment pool. Investments are stated at cost.

Under state law, the clerk of court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, except for investments in the Deferred Compensation Agency Fund, which are reported at market.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed assets account group. General fixed assets provided by the parish council are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

I. COMPENSATED ABSENCES

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

TANGIPAHULA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1997

Sick Leave

Each employee is granted 10 days for sick leave at the beginning of each year. It may be carried over at the end of each year. In the event of major surgery, child birth, or extended hospital confinement, a period not to exceed 30 days will be allowed at the discretion of the clerk of court. Any holidays falling within this 30-day period will be included in the 30 days, and cannot be added to this period. After 30 days, the employee will be considered on leave without pay, provided all other leave has been exhausted. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Vacation

Ten vacation days are granted to each employee at the beginning of each year; employees with 10 years of full-time service are given 13 vacation days. Unused vacation days convert to sick leave at the end of the employees' year.

The cost of leave privileges, computed in accordance with GASB Codification Section 200, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

J. 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 are no long-term obligations at the end of the current year.

K. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a future use.

Designated Fund Balances

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

L. TOTAL COLUMNS (IN 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.

TANGIPAHOLA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)

As of and for the Year Ended June 30, 1997

2. CASH AND CASH EQUIVALENTS

At June 30, 1997, the clerk of court has cash and cash equivalents (book balances) totaling \$3,777,967, as follows:

| | |
|----------------------------------|----------------------------|
| Interest-bearing Demand Deposits | \$ 4,482,867 |
| Time Deposits | 1,325,800 |
| Total | <u>\$ 3,777,967</u> |

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

At June 30, 1997, the clerk has \$5,804,640 in deposits (reflected book balances). These deposits are insured from risk by \$1,868,887 of federal deposit insurance and \$2,515,758 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 38:1219 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days if being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

At June 30, 1997, the clerk of court holds investments totaling \$570,874 as follows:

| | <u>Carrying Amount</u> | <u>Market Value</u> |
|---------------------|----------------------------|--------------------------|
| U. S. T-Bills | \$ 98,608 | \$ 100,000 |
| U. S. T-Notes | 369,629 | 400,000 |
| Zenith Series Trust | 98,812 | 98,812 |
| LAMP | <u>218,715</u> | <u>138,179</u> |
| Total | <u>\$ 815,814</u> | <u>\$ 837,091</u> |

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

TANGIPAHOLA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)

As of and for the Year Ended June 30, 1997

In accordance with GASB Codification Section 150.165, the investment in LAMP at June 30, 1997, is not categorized in the fundable categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, associations, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 187 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

4. DUE TO/FROM OTHER FUNDS

The due to/from other funds of \$89,012, at June 30, 1997, is as follows:

| | Due From | Due To |
|----------------------|-----------|-----------|
| General Fund | \$ 10,940 | \$ 76,050 |
| Advance Deposit Fund | 76,050 | 12,982 |
| Total | \$ 89,012 | \$ 89,012 |

5. RECEIVABLES

The receivables of \$72,514 at June 30, 1997, are as follows:

| | General Fund | Agency Funds | Total |
|---------------------|--------------|--------------|-----------|
| Accounts Receivable | \$ 70,833 | \$ - | \$ 70,833 |
| NSF Receivable | 543 | 1,141 | 1,883 |
| Total | \$ 71,376 | \$ 1,141 | \$ 72,514 |

TANGIPAHUA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)

As of and for the Year Ended June 30, 1997

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

| | Balance July 1, 1996 | Additions | Deletions | Balance June 30, 1997 |
|-----------|----------------------------|------------------|------------------|-----------------------------|
| Land | \$ 27,880 | \$ - | \$ - | \$ 27,880 |
| Buildings | 145,323 | - | - | 145,323 |
| Equipment | 285,914 | 31,067 | - | 316,981 |
| Vehicle | 14,345 | 23,981 | 14,345 | 23,981 |
| Total | <u>\$ 473,462</u> | <u>\$ 55,048</u> | <u>\$ 14,345</u> | <u>\$ 514,165</u> |

5. PENSION PLAN

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of credited service, not to exceed 180 per cent of their final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly-available financial report that includes financial statements and required supplemental information of the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11749 Driskosse Avenue, Suite E1, Baton Rouge, Louisiana 70816, or by calling (504) 383-1162.

Funding Policy: Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Tangipahua Parish Clerk of Court is required to contribute an actuarially determined rate. The current rate is 11.80 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contribution requirements of plan members and the Tangipahua Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employee 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 Tangipahua Parish Clerk of Court's contributions to the System for the years ending June 30, 1997, 1996, and 1995, were \$101,948, \$103,378, and \$84,398, respectively, equal to the required contributions for each year.

TANGIPAROA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)
As of and for the Year Ended June 30, 1997

Deferred Compensation Plan:

The Tangiparola Parish Clerk of Court also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all clerk of court employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the clerk of court (without being restricted to the provisions of the benefits 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 amount for each participant.

The clerk of court has the duty of due care that would be required of an ordinary prudent investor. The clerk believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

8. OTHER POSTEMPLOYMENT BENEFITS

The clerk of court offers all retired employees health insurance benefits. The clerk and the retired employee each pay one-half of the premium on a pay-as-you-go basis. At June 30, 1997, it retired employees were covered under the clerk's health insurance plan. The cost to the clerk of court for the year ended June 30, 1997, was \$12,958.

9. COMPENSATED ABSENCES

At June 30, 1997, employees of the clerk of court have accumulated and vested \$28,894 of employee leave benefits, computed in accordance with GASB Codification Section 160.

10. LEASES

The clerk of court records items under capital leases as an asset and an obligation in the accompanying financial statements.

The clerk of court had no capital leases at the end of the year.

The clerk of court had no operating leases at the end of the year.

TANGIPAHOLA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)

As of and for the Year Ended June 30, 1997

11. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unaffiliated deposits follows:

| <u>Agency Funds:</u> | <u>Unaffiliated Deposits at Beginning of Year</u> | <u>Additions</u> | <u>Debitons</u> | <u>Unaffiliated Deposits at End of Year</u> |
|-----------------------|---|---------------------|---------------------|---|
| Advance Deposit | \$ 3,852,784 | \$ 1,258,369 | \$ 1,197,406 | \$ 3,913,747 |
| Registry of Court | 671,284 | 1,805,481 | 1,274,832 | 2,203,933 |
| Deferred Compensation | 131,769 | 27,656 | - | 159,425 |
| Total | <u>\$ 4,655,837</u> | <u>\$ 3,091,506</u> | <u>\$ 2,472,238</u> | <u>\$ 5,275,105</u> |

12. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The clerk of court had no long-term obligation transactions during the year.

13. EXCESS FUND BALANCE

Louisiana Revised Statute 12:785 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, 1997, there was no amount due the parish treasurer as the General Fund's fund balance at June 30, 1997, did not exceed one-half of the revenues of the General Fund for the last year of the clerk's first year term of office.

14. LITIGATION AND CLAIMS

At June 30, 1997, the clerk of court is involved in one suit. It is the opinion of the attorney, that there should be little or no exposure to the clerk of court from the suit.

Claims and litigation costs of \$3,097 were incurred in the current year and has been recorded as a current-year expenditure in the General Fund.

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

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

TANGIPAHOLA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
(Continued)

As of and for the Year Ended June 30, 1997

16. COMMITMENTS AND INTERGOVERNMENTAL SERVICE AGREEMENT

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

17. RESERVED FUND BALANCE

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

18. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

For the year ended June 30, 1997, the clerk of court had the following on-behalf payments, which were recorded as revenues when received and expenditures when the cost was incurred, as required by GASB Statement 24:

| <u>Funding Source</u> | <u>Amount</u> |
|--------------------------|------------------|
| Property Tax | \$ 10,757 |
| State Revenue Sharing | 3,281 |
| Total On-Behalf Payments | <u>\$ 14,038</u> |

GENERAL FUND

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

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

SCHEDULE I

Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

| | GENERAL FUNDS | | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|---------------------|---------------------|--|
| | BUDGET | ACTUAL | |
| REVENUES | | | |
| Licenses and permits | | | |
| Marriage licenses | \$ 25,800 | \$ 24,415 | \$ (985) |
| Passports | 3,500 | 3,820 | 320 |
| Total licenses & permits | <u>29,300</u> | <u>28,235</u> | <u>(1,065)</u> |
| Fees, charges, and commissions for services: | | | |
| Court cost, fees, and charges | | | |
| Criminal fees | 63,200 | 65,719 | 2,519 |
| Suits & attachments | 709,080 | 809,240 | 100,160 |
| Court attendance | 10,185 | 11,380 | 1,195 |
| Total fees, charges, and commissions for services | <u>882,465</u> | <u>886,339</u> | <u>3,874</u> |
| Fees for recording legal documents | | | |
| Recordings, cancellations, and mortgages | 770,800 | 816,371 | 45,571 |
| Total fees for recording legal documents | <u>770,800</u> | <u>816,371</u> | <u>45,571</u> |
| Use of money and property-interest and dividends | <u>150,800</u> | <u>161,315</u> | <u>1,115</u> |
| Miscellaneous revenues | | | |
| Mapping salary reimbursement | - | 2,334 | 2,334 |
| Minute Club reimbursement | 14,800 | 14,800 | - |
| Election reimbursement | 8,380 | 7,588 | (792) |
| Parish Council reimbursement | 9,780 | 6,487 | (3,293) |
| Clerk's supplemental | 11,780 | 11,727 | (53) |
| Election qualifying fee | 5,080 | 4,420 | (660) |
| Miscellaneous | - | 81 | 81 |
| Total miscellaneous revenues | <u>49,840</u> | <u>46,947</u> | <u>(2,893)</u> |
| TOTAL REVENUES | \$ 1,824,505 | \$ 1,828,491 | \$ 3,986 |

(Continued)

The accompanying notes are an integral part of these statements.

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

**SCHEDULE 1
(Continued)**

**Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997**

| | <u>GENERAL FUND</u> | | |
|---|---------------------|------------------|---|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| EXPENDITURES | | | |
| General government: | | | |
| Personal services and related benefits | | | |
| Salary of official | \$ 58,758 | \$ 62,811 | \$ (3,053) |
| Salary of deputies | 880,808 | 884,919 | (4,111) |
| Salary of other employees | 11,808 | 14,128 | 2,320 |
| Election salary - employees | 12,500 | 12,805 | 305 |
| Election salary - non-employees | 340 | 340 | - |
| Custodian of voting machines | 2,400 | 2,400 | - |
| Payroll taxes | 1,800 | 917 | 883 |
| Medicare taxes | 7,300 | 7,200 | 100 |
| Retirement contributions | 181,800 | 191,948 | (10,148) |
| Group health insurance | 141,800 | 147,864 | (6,064) |
| Uniforms | 20,800 | 15,105 | 5,695 |
| Supplemental comp fund | 20,875 | 21,800 | (925) |
| Total personal services and related benefits | <u>1,381,274</u> | <u>1,388,673</u> | <u>(7,399)</u> |
| Operating services | | | |
| Clerk's expense allowance | 3,976 | 4,216 | (240) |
| Dues & association fees | 1,423 | 1,746 | (323) |
| ITC billings | 20,000 | 21,854 | (1,854) |
| Office equipment repairs & maintenance | 21,000 | 18,426 | 2,574 |
| Business expense | 2,000 | 2,704 | (704) |
| Errors & omissions insurance | 20,600 | 20,600 | - |
| Telephone | 20,000 | 23,756 | (3,756) |
| Marriage license expense allow | 11,000 | 11,678 | (678) |
| Professional fees | 11,000 | 9,780 | 1,220 |
| Legal fees | 9,000 | 8,623 | 377 |
| Jury commission | 4,000 | 4,000 | - |
| Miscellaneous | 1,200 | 1,152 | 48 |
| Total operating services | <u>138,878</u> | <u>138,829</u> | <u>49</u> |
| Materials and supplies | | | |
| Office supplies | 147,000 | 150,651 | (3,651) |
| Postage | 25,000 | 26,817 | (1,817) |
| Computer expense | 1,380 | 8,478 | (7,098) |
| Total materials and supplies | <u>174,380</u> | <u>185,946</u> | <u>(11,566)</u> |

(Continued)

The accompanying notes are an integral part of these statements.

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

SCHEDULE 1
(Continued)

Schedule of Revenues and Expenditures
Basis (GAAP Basis) and Actual
For the Year Ended June 30, 1993

| | GENERAL FUND | | |
|--------------------------------|---------------------|---------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| Travel and other charges | | | |
| Auto expenses | 3,344 | 3,248 | 130 |
| Travel & conventions | 15,808 | 15,400 | 1481 |
| Training & education | 3,800 | 4,771 | (971) |
| Total travel and other charges | 22,952 | 23,419 | (467) |
| Capital expenditures | | | |
| Mapping | 32,080 | 32,087 | (7) |
| Fixed assets | 24,323 | 25,981 | (144) |
| Total capital expenditures | 56,403 | 58,068 | (1,665) |
| TOTAL EXPENDITURES | \$ 1,684,387 | \$ 1,687,090 | \$ (2,703) |

(Continued)

The accompanying notes are an integral part of these statements.

FIDUCIARY TYPE FUNDS - AGENCY FUNDS

ADVANCE DEPOSIT FUND

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on cases 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 13:875, accounts for funds that have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawal of the funds can be made only upon order of the court.

DEFERRED COMPENSATION FUND

The Deferred Compensation Fund, as provided by Louisiana Revised Statutes 42:1381 - 42:1388, accounts for contributions by the clerk of court and employees of the clerk of court with the Louisiana Deferred Compensation Plan. The plan is governed by Section 457 of the Internal Revenue Service Code.

**TANGIPAHOLA PARISH CLERK OF COURT
AMITE, LOUISIANA
FIDUCIARY FUNDS - AGENCY FUNDS**

SCHEDULE 2

Combined Balance Sheet
June 30, 1997

| | <u>ADVANCE DEPOSIT FUND</u> | <u>TRUSTEY OF COURT FUND</u> | <u>DEFERRED COMPENSATION ASSETS</u> | <u>TOTAL</u> |
|---------------------------------|-------------------------------------|--------------------------------------|---|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,170,315 | \$ 1,204,015 | \$ 138,715 | \$ 4,714,860 |
| Investments | 879,874 | - | - | 879,874 |
| Receivables | 1,328 | 88 | - | 1,416 |
| Due from Other Funds | 76,850 | - | - | 76,850 |
| TOTAL ASSETS | <u>\$ 3,230,567</u> | <u>\$ 1,204,048</u> | <u>\$ 138,715</u> | <u>\$ 4,573,330</u> |
| LIABILITIES | | | | |
| Due to general fund | \$ 12,962 | \$ - | \$ - | \$ 12,962 |
| Due to taxing bodies and others | 3,278,188 | 2,284,840 | - | 5,414,644 |
| Due to plan participants | - | - | 138,715 | 138,715 |
| TOTAL LIABILITIES | <u>\$ 3,291,150</u> | <u>\$ 2,284,840</u> | <u>\$ 138,715</u> | <u>\$ 5,614,705</u> |

The accompanying notes are an integral part of these statements.

**TANGIPAHOLA PARISH CLERK OF COURT
AMITE, LOUISIANA
FIDUCIARY FUNDS - AGENCY FUNDS**

SCHEDULE 3

Schedule of Changes in Unsettled Balances
For the Year Ended June 30, 1997

| | ADVANCE DEPOSIT FUND | REGISTRY OF COURT FUND | DEFERRED COMPENSATION ASSETS | TOTAL |
|--|----------------------------|------------------------------|------------------------------------|------------------|
| UNSETTLED DEPOSITS AT BEGINNING OF YEAR | \$ 3,852,764 | \$ 671,294 | \$ 131,789 | \$ 4,655,764 |
| ADDITIONS | | | | |
| Deposits: | | | | |
| Suits, successions and judgments | 3,265,293 | 2,997,401 | - | 6,262,794 |
| Contributions by participants | - | - | 27,856 | 27,856 |
| Total additions | <u>3,265,293</u> | <u>2,997,401</u> | <u>27,856</u> | <u>6,290,650</u> |
| Total | <u>4,410,084</u> | <u>3,278,695</u> | <u>158,722</u> | <u>8,195,474</u> |
| REDUCTIONS | | | | |
| Clerk's costs transferred to General Fund | 889,248 | - | - | 889,248 |
| Settlements to litigants | 185,895 | 1,974,682 | - | 2,160,577 |
| Attorney, curator, and notary fees | 223 | - | - | 223 |
| Stenographer's fees | 18,894 | - | - | 18,894 |
| Sheriff's fees | 47,839 | - | - | 47,839 |
| Factual expenses | 86,504 | - | - | 86,504 |
| Travel cost | 16,894 | - | - | 16,894 |
| Other reductions | <u>51,812</u> | <u>-</u> | <u>-</u> | <u>51,812</u> |
| Total reductions | <u>1,447,869</u> | <u>1,974,682</u> | <u>-</u> | <u>3,422,651</u> |
| UNSETTLED DEPOSITS AT END OF YEAR | \$ 3,278,598 | \$ 2,184,643 | \$ 158,722 | \$ 5,621,963 |

The accompanying notes are an integral part of these statements.

OTHER INDEPENDENT AUDITORS' REPORTS

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Society of Louisiana CPAs

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

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

We have audited the financial statements of the Tangipahoa Parish Clerk of Court as of and for the year ended June 30, 1997, and have issued our report thereon dated December 12, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

BRUCE HARRELL & CO.
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A Professional Accounting Corporation

Page 2

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

Bruce Harrell & Co.
Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 12, 1997