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MADISON PARISH CLERK OF COURT
Tallulah, 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 is furnished to the auditor, the clerk of court, and the parish officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-12-00

VERNON R
COON

CERTIFIED PUBLIC ACCOUNTANT

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana

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

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Independent Auditor's Report

HONORABLE CAROLYN CALDWELL
MADISON PARISH CLERK OF COURT
Tallulah, Louisiana

I have audited the general purpose financial statements of the Madison Parish Clerk of Court, a component unit of the Madison 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 Madison 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 general purpose 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 Madison 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.

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 Madison 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.

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HONORABLE CAROLYN CALDWELL
MADISON PARISH CLERK OF COURT

Tallulah, Louisiana
Independent Auditor's Report,
June 30, 1999

The year 2000 supplementary information on page 20 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 Madison Parish Clerk of Court is or will be year 2000 compliant, that the Madison Parish Clerk of Court's remediation efforts will be successful in whole or in part, or that parties with which the Madison 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 December 10, 1999, on my consideration of the Madison Parish Clerk of Court's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts.



West Monroe, Louisiana
December 10, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

MADISON PARISH CLERK OF COURT
Tallulah, 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	LONG- TERM DEBT	TOTAL (MEMORANDUM ONLY)
ASSETS					
Cash and equivalents	\$80,061	\$410,058			\$490,119
Receivables	8,753				8,753
Due from other funds	4,417	40			4,457
Security deposit	500				500
Office furnishings and equipment			\$104,936		104,936
Amount to be provided for retirement of long-term debt				\$6,989	6,989
TOTAL ASSETS	\$93,731	\$410,098	\$104,936	\$6,989	\$615,754
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$4,166				\$4,166
Payroll deducts payable	5,640				5,640
Due to other funds	40				40
Unsettled deposits due to:					
General Fund		\$4,417			4,417
Others		405,681			405,681
Lease-purchase payable				\$6,989	6,989
Total Liabilities	9,846	410,098	NONE	6,989	426,933
Fund Equity:					
Investment in general fixed assets			\$104,936		104,936
Fund balance - unreserved - undesignated	83,885				83,885
Total Fund Equity	83,885	NONE	104,936	NONE	188,821
TOTAL LIABILITIES AND FUND EQUITY	\$93,731	\$410,098	\$104,936	\$6,989	\$615,754

The accompanying notes are an integral part of this statement.

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (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	\$1,800	\$1,932	\$132
Intergovernmental revenues -			
Clerk's supplemental compensation	11,825	11,825	
Grant from Supreme Court	38,281	38,281	
Fees, charges, and commissions for services:			
Court costs, fees, and charges	215,965	223,357	7,392
Fees for recording legal documents	82,000	82,994	994
Charges for copies	11,500	11,931	431
Court attendance	262	980	260
Use of money and property - interest earnings	7,000	7,216	216
Election reimbursements	3,550	3,598	48
Miscellaneous		134	134
Total revenues	<u>372,183</u>	<u>382,248</u>	<u>9,425</u>
EXPENDITURES			
Current:			
General government - judicial:			
Personal services and related benefits	265,000	260,741	4,259
Operating services	58,000	50,864	7,136
Materials and supplies	25,000	22,620	2,380
Travel and other charges	33,000	30,278	2,722
Debt service	2,000	1,871	129
Capital outlay	37,000	36,802	198
Total expenditures	<u>420,000</u>	<u>403,176</u>	<u>16,824</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(47,817)	(20,928)	26,889
OTHER FINANCING SOURCE			
Increase in capital leases	<u>7,929</u>	<u>7,929</u>	
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(39,888)	(12,999)	26,889
FUND BALANCE AT BEGINNING OF YEAR	<u>96,884</u>	<u>96,884</u>	
FUND BALANCE AT END OF YEAR	<u>\$56,996</u>	<u>\$83,885</u>	<u>\$26,889</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH CLERK OF COURT
Tallulah, 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.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison 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 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 determining which component units should be considered part of the Madison 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.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

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 funds for equipment and furniture of the clerk of court's office, the clerk of court was determined to be a component unit of the Madison 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 financial position and results of 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 debt) 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 of court are described as follows:

Governmental Fund - 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 DEBT

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 not recorded in the general fixed assets account group. Approximately 62 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 38 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets. There is no general long-term debt at June 30, 1999.

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

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

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, et cetera, 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 and criminal costs are treated as susceptible to accrual.

Expenditures

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

E. BUDGET PRACTICES

The proposed budget, prepared on the modified accrual basis of accounting, is made available for public inspection at the clerk of court's office during the month of June for comments from taxpayers. The proposed budget is then legally adopted by the clerk and amended during the year, as necessary. Budgets are 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.

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

MADISON PARISH CLERK OF COURT
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

Under state law, the clerk may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The clerk may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the clerk has cash (book balances) totaling \$490,119.

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>\$501,478</u>
Federal deposit insurance	\$501,478
Pledged securities(uncollateralized)	<u>535,541</u>
Total	<u>\$649,838</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 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

After one year of service, all employees of the clerk of court's office earn from 5 to 10 days of vacation leave each year, depending on length of service. Vacation leave cannot be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the clerk.

H. RISK MANAGEMENT

The clerk of court 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

MADISON PARISH CLERK OF COURT
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

of loss, the clerk maintains commercial insurance policies covering; automobile liability, medical payments, uninsured motorist, and collision; workers compensation; and surety bond coverage for all employees. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. 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 have been filed on the policy during the past three years nor is the clerk aware of any unfiled claims.

**I. TOTAL COLUMN ON THE
 BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). 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 General Fund receivables of \$8,753 at June 30, 1999, are as follows:

<u>Class of receivables:</u>	
Fees, charges, and commissions for services:	
Court costs	\$6,126
Court attendance	180
Criminal fees	<u>2,447</u>
Total	<u><u>\$8,753</u></u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment follows:

Balance at July 1, 1998	\$76,063
Additions	39,322
Deletions	<u>(2,520)</u>
Balance at June 30, 1999	<u><u>\$112,865</u></u>

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

4. PENSION PLAN

Substantially all employees of the Madison 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.

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 Madison Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11 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 Madison 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 Madison Parish Clerk of Court's contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$16,229, \$21,900, and \$15,817, respectively, equal to the required contributions for each year.

5. POST RETIREMENT BENEFITS

The Madison 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

MADISON PARISH CLERK OF COURT
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

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 monthly premiums are due, which was \$18,658 for the year ended June 30, 1999. There were no retiree benefits for the year ended June 30, 1999.

6. CHANGES IN AGENCY FUND BALANCES

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

	Advance Deposit Fund	Registry of Court Fund	Total
Balance at July 1, 1998	\$92,159	\$203,675	\$295,834
Additions	277,878	154,216	432,094
Deletions	<u>(246,426)</u>	<u>(75,821)</u>	<u>(322,247)</u>
Balance at June 30, 1999	<u>\$123,611</u>	<u>\$282,070</u>	<u>\$405,681</u>

7. LITIGATION AND CLAIMS

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

8. LEASE PURCHASE PAYABLE

The clerk of court records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 1999, the clerk has one capital lease in effect for a telephone system. The lease had an original recorded amount of \$10,449, less a \$2,520 trade-in on the old system. The lease required monthly payments of \$187, including interest at 14.5% per annum. The following is a summary of future minimum lease payments, together with the present value of net minimum lease payments, as of June 30, 1999:

<u>Year Ended June, 30</u>	
2000	\$2,244
2001	2,244
2002	2,244
2003	2,244

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

<u>Year Ended June, 30</u>	
2004	\$374
Total minimum lease payments	<u>9,350</u>
Less amount representing interest	<u>(2,361)</u>
Present value of net minimum lease payments	<u>\$6,989</u>

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

The Madison 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 Madison Parish Police Jury.

SUPPLEMENTAL INFORMATION SCHEDULES

MADISON PARISH CLERK OF COURT
Tallulah, 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 judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1999

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and equivalents	\$128,028	\$282,030	\$410,058
Due from other funds		40	40
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$128,028</u>	<u>\$282,070</u>	<u>\$410,098</u>
 LIABILITIES			
Due to:			
General Fund	\$4,417		\$4,417
Others	123,611	\$282,070	405,681
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$128,028</u>	<u>\$282,070</u>	<u>\$410,098</u>

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in
Unsettled Deposits Due to Others
For the Year Ended June 30, 1999

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
UNSETTLED DEPOSITS AT June 30, 1998	<u>\$92,159</u>	<u>\$203,675</u>	<u>\$295,834</u>
ADDITIONS			
Suits and successions	277,878	147,559	425,437
Interest earned on investments		6,657	6,657
Total additions	<u>277,878</u>	<u>154,216</u>	<u>432,094</u>
Total	<u>370,037</u>	<u>357,891</u>	<u>727,928</u>
REDUCTIONS			
Clerk's costs (transferred to General Fund)	173,171		173,171
Settlements to litigants	24,420	75,821	100,241
Appraisers, curators, keepers, etc.	1,615		1,615
Sheriff's fees	20,889		20,889
Other clerk's and sheriffs	10,070		10,070
Other reductions	16,261		16,261
Total reductions	<u>246,426</u>	<u>75,821</u>	<u>322,247</u>
UNSETTLED DEPOSITS AT June 30, 1999	<u><u>\$123,611</u></u>	<u><u>\$282,070</u></u>	<u><u>\$405,681</u></u>

MADISON PARISH CLERK OF COURT
Tallulah, 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 Madison 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 financial reporting system as requiring year 2000 remediation. 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 internal control over financial reporting and compliance with laws and regulations 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.



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

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana

I have audited the general purpose financial statements of the Madison Parish Clerk of Court as of and for the year ended June 30, 1999 ended and have issued my report thereon dated December 10, 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 Madison 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*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Madison 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 functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 1999

This report is intended for the information and use of the Madison Parish Clerk of Court, management of the clerk's office and interested state agencies and is not intended to be and should not be used by anyone other than those specified parties.



West Monroe, Louisiana
December 10, 1999

MADISON PARISH CLERK OF COURT
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
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 Madison Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of Madison 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 over financial reporting.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**MADISON PARISH CLERK OF COURT
Tallulah, Louisiana**

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

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