

TANGIPAHOA PARISH CLERK OF COURT
AMITE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/15/03

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

**Financial Statements
As of and for the Year Ended June 30, 2002
With Supplemental Information Schedules**

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**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

**General Purpose Financial Statements
As of and for the Year Ended June 30, 2002
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Tangipahoa Parish Clerk of Court, Louisiana, as of and for the year ended June 30, 2002, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tangipahoa Parish Clerk of Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

In our opinion, the statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Tangipahoa Parish Clerk of Court, Louisiana, as of June 30, 2002, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary information on pages 7 through 18 and 43 through 45 are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2002, 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. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Parish Clerk of Court, Louisiana, basic financial statements. The introductory section and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
December 20, 2002

Required Supplemental Information (Part I)

Management's Discussion and Analysis

TANGIPAHOA PARISH CLERK OF COURT
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Managements Discussion and Analysis
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The Management's Discussion and Analysis (MD&A) for the Tangipahoa Parish Clerk of Court is designed to:

1. assist the reader in focusing on significant financial issues;
2. provide an overview of the Tangipahoa Parish Clerk of Court's financial activities;
3. identify changes in the Tangipahoa Parish Clerk of Court's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
4. identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
5. identify individual fund issues or concerns.

This is the first year that the Tangipahoa Parish Clerk of Court has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board (GASB) Statement Number 34. Because this new reporting model changes significantly not only the presentation of financial data, but also the manner in which the information is recorded, prior year comparative information for this reporting period's MD&A has not been included. The omission of this comparative information is unavoidable and unfortunately puts the reader in a less than desirable position. In preparing the information summarized below, we have tried to keep in mind this disadvantage by providing explanations of the major components of the government-wide financial statements, and when possible the reasons for changes in significant financial statement categories.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

Overview of the Financial Statements

The MD&A is required supplementary information that introduces the reader to the basic financial statements and provides an overview of the Tangipahoa Parish Clerk of Court's financial activities. The Tangipahoa Parish Clerk of Court's basic financial statements consist of the following components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

Other required supplementary information, including the required budgetary comparison schedule(s) are presented immediately following the notes to the financial statements. A general description of the components of the basic

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financial statements follows below, with a more detailed analysis of the government-wide statements included in a later section entitled "Government-Wide Financial Analysis" and for fund financial statements included in the "Analysis of Fund Financial Statements" section.

1. Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 19 to 20) are designed to present the financial operations of the Tangipahoa Parish Clerk of Court as a whole in a format similar to private sector companies. Under this format, all governmental and business-type activities are consolidated into columns which add to a total for the governmental entity. For the Tangipahoa Parish Clerk of Court, only governmental activities are included in the presentation.

The focus is on the government-wide (entity-wide) "Statement of Net Assets" and "Statement of Activities" to give the reader a broad overview of the Tangipahoa Parish Clerk of Court's financial position and results of operations.

- a. The Statement of Net Assets presents information on the Tangipahoa Parish Clerk of Court's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets (and changes in the components of net assets) may serve as a useful indicator of whether the financial position of the Tangipahoa Parish Clerk of Court is improving or weakening. Although the focus of this MD&A will be on the analysis of the overall changes to net assets, focusing on the changes in components of net assets does provide answers on how the Tangipahoa Parish Clerk of Court is managing its financial resources and an indication of allocation of financial resources in future years. A brief explanation of the components of net assets is presented below:
 1. Invested in Capital Assets - Net of Related Debt. This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. For the Tangipahoa Parish Clerk of Court, there is no indebtedness on capital assets.
 - Restricted Net Assets. This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
 - Unrestricted Net Assets. This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."
- b. The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement

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of Activities presents the expenses for each function (general and administrative, operating services, materials and supplies, travel and other charges, and capital expenditures) reduced by the Program Revenues (charges for services, operating grants and contributions, and capital grants and contributions) directly related to each respective function, to determine net costs of each function. The net costs of each function are normally covered by general revenues.

2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Tangipahoa Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Tangipahoa Parish Clerk of Court uses two categories of funds to account for financial transactions: governmental funds and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (included on pages 21 to 26) provide a detailed short-term view of the Tangipahoa Parish Clerk of Court's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Tangipahoa Parish Clerk of Court's programs. The Tangipahoa Parish Clerk of Court's governmental funds consist of the General Fund, used to account for the Clerk of Court's basic services, two Special Revenue funds used to account for the mapping project and internet fund to account for revenues and costs for users to access records of the Tangipahoa Parish Clerk of Court, and a Debt Service Fund used to account for resources retained and used for the payment of debt obligations, including accumulated leave accruals for employees and retirees.

The Fiduciary Fund financial statements can be found on pages 27 to 28 of this report. The only fund type accounted for in this category by the clerk are agency funds. The funds are custodial in nature and represent the assets held by the Tangipahoa Parish Clerk of Court as an agent for litigants pending court action. Under applicable standards of GASB 34, agency funds are not included in the government-wide financial statements. We exclude these activities from the Tangipahoa Parish Clerk of Court's other financial statements because the Tangipahoa Parish Clerk of Court cannot use these assets to finance its operations. The Tangipahoa Parish Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Tangipahoa Parish Clerk of Court's more immediate decisions on the current use of financial resources. The governmental funds columns of the Fund Financial Statements

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require and include a reconciliation following the Balance Sheet (reconciliation on page 22) and the Statement of Revenues, Expenditures and Changes in Fund Balances (reconciliation on page 26).

3. Notes to the Financial Statements

The Notes to the Financial Statements, in particular "Note 1 - Significant Accounting Policies," present the changes in presentation and reporting required under the GASB 34 standard, and under GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. When reviewing this MD&A, the reader should refer to and review the Notes to the Financial Statements (beginning on page 29), as well as the Government-Wide and Fund Financial Statements (included on pages 19 to 28).

Financial Highlights

- At June 30, 2002, the Tangipahoa Parish Clerk of Court maintained an Unrestricted Net Assets balance of \$2,644,008. Unrestricted Net Assets represents the net balance accumulated by the Tangipahoa Parish Clerk of Court above the amount of net assets Invested in Capital Assets, Net of Related Debt and the amount for Restricted Net Assets (restricted as a result of constraints imposed by creditors, grantors, contributors, or by laws and regulations).
- At fiscal year-end, the total Invested in Capital Assets, Net of Related Debt increased to \$613,960.
- Total assets at June 30, 2002, totaled \$3,852,956, as compared to a total of \$280,631 in liabilities. In accordance with statutory requirements, the Tangipahoa Parish Clerk of Court has no bonded indebtedness or long-term notes.
- The most significant continuing revenue sources for governmental activities consisted of \$1,481,873 in revenues recorded from charges and court costs for suits and successions, \$1,403,970 from recordings, cancellations and mortgages, \$127,034 from criminal fees, and \$112,520 in internet fee charges for on-line access to documents filed with the Tangipahoa Parish Clerk of Court. The Tangipahoa Parish Clerk of Court also recorded \$141,347 in interest income resulting from charges for services, and the segregation of funds per court order.
- Total revenues of the Tangipahoa Parish Clerk of Court exceeded the amended budget total by \$248,883, and actual expenditures were \$167,985 below the amended budget, resulting in excess revenues, before other financing sources and uses, of \$594,543.

Government-Wide Financial Analysis

Statement of Net Assets

Included below is a condensed Statement of Net Assets for the Tangipahoa Parish Clerk of Court. The condensed format allows the reader to view the overall financial position of the Tangipahoa Parish Clerk of Court. Although information for comparison will not be available until the 2003 financial statements are

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completed, explanation of the components of this statement, and the Condensed Statement of Activities, are included immediately following the tables.

Condensed Statement of Net Assets - Governmental Activities

	<u>Total Governmental Activities</u>
Current and Other Assets	\$ 3,239,016
Capital Assets, Net	<u>613,960</u>
Total Assets	<u>3,852,976</u>
Long-Term Liabilities	129,680
Other Liabilities	<u>150,951</u>
Total Liabilities	<u>280,631</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	613,960
Restricted Net Assets	314,377
Unrestricted	<u>2,644,008</u>
Total Net Assets	<u>\$ 3,572,345</u>

See page 19 for a more detailed Statement of Net Assets for the Tangipahoa Parish Clerk of Court.

Government-Wide Review of Condensed Statement of Net Assets

The composition of net assets and the changes in net assets over time serve as a useful indicator of a government's financial position. The Tangipahoa Parish Clerk of Court's assets at fiscal year-end exceed liabilities by \$3,572,345 (net assets), with the Tangipahoa Parish Clerk of Court reporting positive balances in all three categories of net assets. Of the total net assets, \$2,644,008 are Unrestricted Net Assets. The balance of net assets includes a total of \$613,960 Invested in Capital Assets, Net of Related Debt, and \$314,377 in Restricted Net Assets. Restricted Net Assets consist of \$28,200 restricted assets for completion of an internet project providing on-line services for citizens and users, \$156,497 restricted for completion of a contract to develop a parcel base map of Tangipahoa Parish (Footnote 15), and \$129,680 in cash restricted for payment of accumulated leave benefits for employees, payable upon retirement or discontinuance of service.

The largest components of the "Current and Other Assets" category are Cash and Cash Equivalents, and Investments, with a combined total of \$2,721,272 representing funds segregated per court order and excess revenues from state-mandated charges for services. Included within this total are \$112,530 in cash resulting from internet-based services and \$266,420 segregated for the mapping project. Also included

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within the "Current and Other Assets" category are \$130,147 in receivables due from attorneys and other customers utilizing clerk of court services on a monthly basis, and \$376,572 due primarily from the Advance Deposit Fund, representing accumulated interest earned on funds advanced per court order for civil suits.

Capital Assets, totaling \$613,960, represent the investment in equipment and facilities for the Tangipahoa Parish Clerk of Court and are more fully described in a later section.

The total of \$129,680 in the "Long-Term Liabilities" category represents the long-term commitment for payment of accrued leave for employees and benefits payable upon retirement or discontinuance of service, with the major component in the "Other Liabilities" consisting of \$76,050 Due to Other Funds for reimbursement of funds transferred from agency funds of the Tangipahoa Parish Clerk of Court by the prior administration.

Statement of Activities

A condensed Statement of Activities for the Tangipahoa Parish Clerk of Court is presented below listing the major categories of revenues and expenses for the fiscal year ended June 30, 2002. An explanation of the components of this statement are included immediately following the table.

Condensed Statement of Activities - Governmental Activities

	<u>Total Governmental Activities</u>
Program Revenues:	
Charges for Services	\$ 3,183,733
General Revenues:	
Interest Income	140,806
Other Revenues	<u>54,645</u>
Total Revenues	<u>3,379,184</u>
 Program Expenses:	
General Government	1,986,565
Operating Services	446,668
Materials and Supplies	194,894
Travel and Other Charges	52,658
Depreciation	<u>70,735</u>
Total Program Expenses	<u>2,751,520</u>
Change in Net Assets	<u>\$ 627,664</u>

See page 20 for a more detailed Statement of Activities for the Tangipahoa Parish Clerk of Court.

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Government-Wide Review of Condensed Statement of Activities

The Condensed Statement of Activities presents revenues, expenses, and changes in net assets separately for governmental activities. The condensed format allows for presentation of Program Revenues (Charges for Services) followed by a listing of General Revenues (Interest Income and Miscellaneous Revenues) to support the Tangipahoa Parish Clerk of Court's overall governmental activities. Expenses are presented on a functional basis (General Government, Operating Services, Materials and Supplies, and Travel and Other Charges), with depreciation on fixed assets listed separately since the assets serve essentially all functions. For the fiscal year ending June 30, 2002, the Tangipahoa Parish Clerk of Court reported a positive overall change in net assets (revenues less expenses) of \$627,664.

As noted above, there are two categories of revenues on the Statement of Activities - "Program Revenues" and "General Revenues." "Program Revenues" derive directly from the program itself or from parties outside the Tangipahoa Parish Clerk of Court's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's "General Revenues." "Program Revenues" total \$3,183,733 for the fiscal year ending June 30, 2002, with the major components as listed in the table below:

<u>Components of Program Revenue</u>	<u>Amount</u>	<u>Percentage</u>
Suits and Successions	\$ 1,481,873	46.55%
Recordations, Cancellations, and Mortgages	1,403,970	44.10%
Criminal Fees	127,034	3.99%
Internet Fees	112,520	3.53%
Other Program Revenues	58,336	1.83%
Total Program Revenues	<u>\$ 3,183,733</u>	<u>100.00%</u>

"General Revenues" totaling \$195,451 consisted of \$140,806 in interest income earned on cash and investments, and \$54,645 for Other Revenues consisting of various fees and reimbursements for services of the Tangipahoa Parish Clerk of Court's office.

"Program Expenses" are presented in the above Condensed Statement of Activities by function and total \$2,751,520 for the current fiscal year. The major categories of "Program Expenses" are General Government totaling \$1,986,565 (72.20% of "Program Expenses") and Operating Services totaling \$446,668 (16.23% of "Program Expenses"). Of the total of \$1,986,565 in General Government expenses, a total of \$1,895,015 (95.39%) was for salaries, group health insurance, the employer's portion of state-mandated contributions to the retirement program, and employer's contributions for the state deferred compensation plan. Operating Services, totaling \$446,668 were for professional fees, insurance, equipment rental and maintenance, and the development of a training manual to standardize operations of the Tangipahoa Parish Clerk of Court.

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Analysis of Fund Financial Statements

Governmental funds of the Tangipahoa Parish Clerk of Court include the General Fund, Special Revenue Funds consisting of the Mapping and Internet Funds, and the Debt Service Fund, and are presented within the following fund financial statements:

<u>Description of Financial Statement</u>	<u>Statement Number</u>	<u>Page Numbers</u>
Balance Sheet	C	21
Statement of Revenues, Expenditures, and Changes in Fund Balance	D	23 to 25

The reader can also refer to Schedule 2 (Combining Balance Sheet, Non-Major Governmental Funds (Summary), and to Schedule 3 (Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Non-Major Governmental Funds (Summary) for more detailed information on the Special Revenue and Debt Service Funds.

Governmental Funds

Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the Tangipahoa Parish Clerk of Court. The analysis in this section will include a discussion of components of the Fund Financial Statements, but will concentrate on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the governmental funds, included in "Statement C - Balance Sheet" reported combined fund balances of \$3,130,739, with fund balance of \$2,586,853 reported for the General Fund, and \$543,886 reported for "Other Governmental Funds" consisting of the Mapping Fund, Internet Fund, and Debt Service Fund. Assets are identical to the Government-Wide presentation, except for the Capital Assets of \$613,960 are presented only in the Government-Wide presentation. The Fund Financial Statements account only for current financial resources; therefore the current year capital expenditures are accounted for in the current year operating statement ("Statement D - Statement of Revenues, Expenditures, and Changes in Fund Balance"). Also, since the Fund Financial Statements account only for current financial resources, the long-term liabilities for accrued leave are included only in the Government-Wide Presentation. Current liabilities included in the Fund Financial Statements consist of \$32,227 in Accounts Payable and \$76,050 Due to Other Funds for reimbursement of funds transferred from agency funds of the Tangipahoa Parish Clerk by the prior administration.

The fund reporting format presents in "Statement D - Statement of Revenues, Expenditures, and Changes in Fund Balance" all revenue types followed by the expenses of the Tangipahoa Parish Clerk of Court, also presented on a functional basis but in more detail than the Government-Wide Financial Statements. The major revenue and expenditure sources are similar to the government-wide presentation above. The differences in total expenditures are in the reporting of capital expenditures and in reporting operating transfers between funds. Since the funds are consolidated in the Government-Wide Financial Statements, operating transfers between governmental funds are eliminated in the government-wide presentation. As noted in the Fund Financial Statements, capital expenditures are reported on the operating statement ("Statement D - Statement of Revenues, Expenditures, and Changes in Fund Balance"); whereas the Government-Wide Financial Statements

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report capital assets on the Statement of Net Assets (Statement "A") with depreciation expense recorded on the Statement of Activities (Statement "B") in a manner similar to a private business enterprise. The difference in reporting results is an additional \$26,675 reported in the "Statement D" fund financial operating statement.

Also included within "Statement D - Statement of Revenues, Expenditures, and Changes in Fund Balance" is a separate column for "Other Governmental Funds" including Special Revenue Funds consisting of the Mapping and Internet Funds, and the Debt Service Fund. Major revenues of the Special Revenue Funds consist of \$27,436 received from the Assessor in support of the Mapping Fund project, and \$112,520 in fees received from users accessing Tangipahoa Parish Clerk of Court Records by use of the internet. The major expenditure was for \$135,612 in professional fees for development and maintenance of the internet project.

Required Supplementary Information

In addition to this MD&A and the basic financial statements, this report also presents certain Required Supplementary information. For the Tangipahoa Parish Clerk of Court, this Required Supplementary Information is included for the General Fund as "Schedule 1-Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual-General Fund" which can be found beginning on page 43. The presentation under the GASB 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Analysis of Significant Budget Variations in the General Fund

The Tangipahoa Parish Clerk of Court demonstrated legal compliance by amending its budget in accordance with provisions of the Local Government Budget Act. Actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures did not exceed budgeted expenditures and other uses by 5%.

The only significant variations from the original budgeted revenues and expenditures for the General Fund were as follows:

- The original budgeted revenues were increased by \$100,000 to allow for an increase in revenues from Suits & Successions; and by \$350,000 to allow for an increase in revenues from Recordings, Cancellations, and Mortgages.
- The original budgeted expenditure for Salary for Deputies was decreased by \$200,000.
- Revenues were above the amended budget by \$248,883, and expenditures were below the amended budget by \$167,985.

Budgets for other revenue and expenditure categories were amended in the normal course of operations.

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Other Supplemental Information

The Tangipahoa Parish Clerk of Court also presents additional supplemental information beginning on page 47, following Required Supplementary Information. This information includes schedules on the combining fund financial statements (presenting combined information of the Special Revenue and Debt Service Funds), on the combined fund financial statements (presenting detail on individual Special Revenue Funds and the Debt Service Fund), and supplementary information to meet state reporting requirements.

Capital Assets and Long-Term Debt

Capital Assets

The Tangipahoa Parish Clerk of Court has elected to early implement the major model portions of GASB Statement # 34 in the current fiscal year. Historically, a government's assets, other than those for enterprise funds (similar to a private business enterprise) have not been reported nor depreciated in governmental financial statements. Beginning with the current fiscal year, this new statement requires these assets be valued and reported within the Governmental Activities column of the Government-Wide Financial Statements.

The presentation below for the current fiscal year lists the major categories of capital assets for governmental activities, and is followed by analysis of the respective changes in capital assets. As noted, this is the first year that the Tangipahoa Parish Clerk of Court has presented financial statements under the GASB 34 standard, and comparative information for the prior fiscal year will be presented for year 2003.

Capital Assets at Year-End

		<u>Governmental Activities</u>
Land	\$	27,800
Buildings		205,571
Furniture		400,326
Office Equipment		174,537
Data Processing		240,490
Internet Conversion		149,595
Microfilm Conversion		<u>150,799</u>
Subtotal		1,349,118
Less: Accumulated Depreciation		<u>735,158</u>
Net Capital Assets	\$	<u><u>613,960</u></u>

The following reconciliation summarizes the changes in Capital Assets.

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Capital Assets at Year-End

	<u>Governmental Activities</u>
Beginning Balance	\$ 1,370,665
Plus Additions	74,274
Less Deletions	95,821
Less Accumulated Depreciation	<u>735,158</u>
Ending Balance	\$ <u><u>613,960</u></u>

For governmental activities, major capital additions and deletions consisted of the following:

- Purchases, totaling \$42,012, for office equipment and furniture to upgrade and expand facilities for serving public.
- Data processing costs of \$12,753, and \$16,006 for internet conversion for on-line access to public documents and for microfilm conversion of public records.
- Deletion of capital assets, totaling \$95,128. This is a book adjustment in conformance with requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, and does not represent a disposal of assets. GASB Statement No. 34 requires adoption of a capitalization "threshold" policy. "Threshold" policy means that a policy must be adopted indicating the bottom limit at which a purchased asset must be capitalized (added to the capital asset listing) and depreciated in accordance with requirements of GASB Statement No. 34. The Tangipahoa Parish Clerk of Court maintains a "threshold" of \$500 or more for capitalizing assets.

Long-Term Debt

The debt structure is simple for the Tangipahoa Parish Clerk of Court since Clerk of Courts are not allowed to incur long-term indebtedness for bonds or notes payable. The long-term debt of the Tangipahoa Parish Clerk of Court totals of \$172,354 and represents the long-term commitment for payment of accrued leave for employees and benefits payable upon retirement or discontinuance of service.

Economic Factors

In calendar year 1999, the Tangipahoa Parish Clerk of Court began a comprehensive modernization of the office computer systems. Over the next two fiscal years, the modernization will be completed. Specifically, vendors of the software employed in indexing, recording, and archiving documents and civil suits, issuing marriage licenses, processing civil suits, and managing the jury selection functions have all re-designed their products to operate on PCs running under the Windows 2000 Professional desktop and network operating systems. Five years ago, these applications ran exclusively on an HP3000 minicomputer system. Since 1999,

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Managements Discussion and Analysis
As of and for the Year Ended June 30, 2002

they have run in a hybrid environment. By the end of FYE June 30, 2004, the obsolete HP3000 will have been completely replaced.

In the latter half of FYE June 30, 2003, the Tangipahoa Parish Clerk of Court plans to purchase the necessary new PC file servers, workstations, backup devices, and related peripheral hardware and software that will become the infrastructure for the new Windows 2000-based application software. In the early part of FYE June 30, 2004, Cott Systems (the software vendor) will install the Cashiering (recording), Indexing, Imaging, Marriage License and Mapping modules of the new software and migrate the existing data to the new format. The installation of the new jury management, case selection and civil processing modules is slated for early calendar year 2004 (the latter part of FYE June 30, 2004).

The Tangipahoa Parish Clerk of Court estimates that the infrastructure costs (hardware, software, project management fees and integration fees) attributable to this project to be expended in FYE June 30, 2003, will approximate \$250,000.

The software licensing, installation, training, data migration, project management and integration fees attendant to the implementation of all the Cott modules plus the scheduled replacement of then-to-be obsolete PCs will actually fall into FYE June 30, 2004, and are estimated to be in the \$150,000 to \$200,000 range.

For the past several years, the Tangipahoa Parish Clerk of Court has experienced an increase in recording fees which we attribute to increased refinancing of home mortgages and commercial loans because of lower interest rates. For the year ended June 30, 2003, we made several reductions to the fee schedules because of this increase in the volume of filings. The fees for internet services have been waived. At mid year we will reassess our financial position and make additional changes if needed. We may have to address our pay scale due to losing some of our employees, especially those with college degrees, to private industry. During this year, we plan to continue to totally implement the mapping program with the assessor and municipalities. It is expected the project will be complete by late 2003. After that it will only be necessary to keep the system current. Overcrowding at the courthouse has been discussed for several years with no plans in the making. Our archives storage is nearly full. It will now be necessary to expand the archives building to store the required records. This is in the planning stages and hopefully will be underway by early 2003. We plan to refine the employee training manual during the year and by mid 2003 hope to have a final edition. The new elections system remains a challenge. We will continue to monitor the equipment and offer suggestions to the State for improving this system. Continued training of commissioners will take place for the entire year of 2003. Commissioners desperately need a pay raise and pay for training which they do not receive now. We will work with the Clerks of Court Association to try to have this done in the next legislative session. The next project will be to investigate the possibility of connecting the mapping project to our internet project. Initially this appeared to be a very expensive endeavor. However, due to the continued inquiries by the many users of the mapping system we will revisit this issue.

Requests for Information

This financial report is designed to provide a general overview of the Tangipahoa Parish Clerk of Court's finances and to demonstrate the Tangipahoa Parish Clerk of Court's accountability. If you have questions regarding this report or need additional information, contact John Dahmer, Clerk of Court, Tangipahoa Parish Clerk of Court, Courthouse Building, P.O. Box 667, Amite, LA 70422; phone number (985 748-4146).

**TANGIPAHOA PARISH CLERK OF COURT
Amite Louisiana**

Statement A

**Statement of Net Assets
June 30, 2002**

**Governmental
Type
Activities**

Assets

Cash and Cash Equivalents	\$	1,393,823
Investments		1,327,449
Receivables		130,147
Due From Other Funds		376,572
Due From Other Governments		11,025
Capital Assets, Net		613,960
Total Assets		3,852,976

Liabilities

Accounts Payable		32,227
Due to Other Funds		76,050
Long-term Liabilities (Note 12)		
Due Within One Year		42,674
Due After One Year		129,680
Total Liabilities		280,631

Net Assets

Invested in Capital Assets, Net of Related Debt		613,960
Restricted for:		
Debt Service		129,680
Contracts		184,697
Unrestricted		2,644,008
Total Net Assets	\$	3,572,345

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2002

Function/Programs	Expenses	Charges for Services	Governmental Activities
Governmental Activities:			
General Government	\$ 1,986,565	\$ 3,183,733	\$ 1,197,168
Operating Services	446,668	-	(446,668)
Materials and Supplies	194,894	-	(194,894)
Travel and other charges	52,658	-	(52,658)
Depreciation	70,735	-	(70,735)
Total Governmental Activities	\$ 2,751,520	\$ 3,183,733	432,213
General Revenues:			
			140,806
			50,145
			4,500
			195,451
			627,664
			2,907,331
			37,350
			\$ 3,572,345

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Statement C

Balance Sheet
Governmental Funds
June 30, 2002

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 839,557	\$ 554,266	\$ 1,393,823
Investments	1,327,449	-	1,327,449
Receivables	130,147	-	130,147
Due From Other Funds	376,572	-	376,572
Due From Other Governments	11,025	-	11,025
Total Assets	<u>\$ 2,684,750</u>	<u>\$ 554,266</u>	<u>\$ 3,239,016</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 21,847	\$ 10,380	\$ 32,227
Due to Other Funds	76,050	-	76,050
Total Liabilities	<u>97,897</u>	<u>10,380</u>	<u>108,277</u>
Fund Balance:			
Reserved	28,200	286,177	314,377
Unreserved	2,558,653	257,709	2,816,362
Total Fund Balance	<u>2,586,853</u>	<u>543,886</u>	<u>3,130,739</u>
Total Liabilities and Fund Balance	<u>\$ 2,684,750</u>	<u>\$ 554,266</u>	<u>\$ 3,239,016</u>

The accompanying notes are an integral part of these statements.

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

Statement C-1

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Assets**

June 30, 2002

Fund balances - total governmental funds	\$ 3,130,739
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	1,349,100
Less: accumulated depreciation	(735,140)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated Absences Payable	(42,674)
Sick leave payable	<u>(129,680)</u>
Net assets of governmental activities	\$ <u><u>3,572,345</u></u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Statement D

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2002

	General Fund	Other Governmental Funds	Total
Revenues			
Assessor	\$ -	\$ 27,436	\$ 27,436
Internet Fees	-	112,520	112,520
Licenses and Permits:			
Marriage Licenses	20,450	-	20,450
Passports	2,630	-	2,630
Fees, Charges, and Commissions for Services:			
Court Cost, Fees, and Charges:			
Criminal Fees	127,034	-	127,034
Suits & Successions	1,481,873	-	1,481,873
Court Attendance	7,820	-	7,820
Fees for Recording Legal Documents:			
Recordings, Cancellations, and Mortgages	1,403,970	-	1,403,970
Use of Money and Property:			
Interest & Dividends	139,902	1,445	141,347
Net Decrease in F.M.V. of Investments	(541)	-	(541)
Miscellaneous Revenues:			
Minute Clerk Reimbursement	13,200	-	13,200
Election Reimbursement	6,999	-	6,999
Parish Council Reimbursement	2,641	-	2,641
Clerk's Supplemental	17,225	-	17,225
Election Qualifying Fees	1,220	-	1,220
Miscellaneous	60	-	60
Expungement	5,900	-	5,900
Mapping Copies	2,430	-	2,430
Unclaimed Property	470	-	470
Total Revenues	3,233,283	141,401	3,374,684

(Continued)

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Statement D

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2002

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Expenditures			
General Government:			
Clerk's Supplemental Comp.	\$ 14,975	\$ -	\$ 14,975
Custodian of Voting Machines	2,400	-	2,400
Election Expense	1,203	-	1,203
Group Health Insurance	223,495	-	223,495
La Deferred Comp.	101,271	-	101,271
Medicare Taxes	15,460	-	15,460
Payroll Taxes	575	-	575
Retirement Contributions	232,876	-	232,876
Salary of Election Employees	7,695	-	7,695
Salary of Deputies	1,214,145	-	1,214,145
Salary of Deputies - Overtime	4,545	-	4,545
Salary of Official	74,900	-	74,900
Salary of Other Employees	36,088	-	36,088
Supplemental Comp. Fund	28,500	-	28,500
Uniforms	28,437	-	28,437
Total General Government	<u>1,986,565</u>	<u>-</u>	<u>1,986,565</u>
Operating Services:			
Building Maintenance & Security	774	-	774
Clerk's Expense Allowance	8,930	-	8,930
Dues & Association Fees	2,300	-	2,300
Errors & Omissions Insurance	21,600	-	21,600
Insurance Expense	3,907	-	3,907
Janitorial Service	7,500	-	7,500
Jury Commission	2,874	-	2,874
Legal Fees	11,146	-	11,146
Marriage License Spouse Abuse	9,702	-	9,702
Miscellaneous	2,128	-	2,128
Office Equipment Rental & Maintenance	24,921	-	24,921
Professional Fees	78,240	135,612	213,852
Qualifying Expense	1,137	-	1,137
Training Manual	64,273	-	64,273
Telephone	37,903	1,369	39,272
UCC Billings	32,352	-	32,352
Total Operating Services	<u>309,687</u>	<u>136,981</u>	<u>446,668</u>

(Continued)

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Statement D

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2002

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Materials and Supplies:			
Office Supplies	\$ 122,690	\$ 1,472	\$ 124,162
Postage	33,560	-	33,560
Computer Expense	35,719	964	36,683
Bank Charges	451	38	489
Total Materials and Supplies	<u>192,420</u>	<u>2,474</u>	<u>194,894</u>
Travel and Other Charges:			
Auto Expense	4,224	-	4,224
Travel & Conventions	15,499	-	15,499
Training & Education	32,935	-	32,935
Total Travel and Other Charges	<u>52,658</u>	<u>-</u>	<u>52,658</u>
Capital Expenditures:			
Microfilm Contract	7,562	-	7,562
Archives	3,503	-	3,503
Computers	27,252	-	27,252
Furniture	19,030	-	19,030
Equipment	31,619	-	31,619
Renovations	-	-	-
Internet	8,444	-	8,444
Total Capital Expenditures	<u>97,410</u>	<u>-</u>	<u>97,410</u>
Total Expenditures	<u>2,638,740</u>	<u>139,455</u>	<u>2,778,195</u>
 Excess Revenues (Expenditures)	 <u>594,543</u>	 <u>1,946</u>	 <u>596,489</u>
 Other Financing Sources (Uses)			
Sale of Fixed Assets	4,500	-	4,500
Operating Transfer In (Out)	(100,000)	100,000	-
Total Other Financing Sources (Uses)	<u>(95,500)</u>	<u>100,000</u>	<u>4,500</u>
 Excess Revenues Over Expenditures	 499,043	 101,946	 600,989
 Fund Balance, Beginning of Year	 2,050,460	 441,940	 2,492,400
Prior Period Adjustment (Note 19)	<u>37,350</u>	<u>-</u>	<u>37,350</u>
 Fund Balance, End of Year	 <u>\$ 2,586,853</u>	 <u>\$ 543,886</u>	 <u>\$ 3,130,739</u>

(Concluded)

The accompanying notes are an integral part of these statements.

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

Statement D-1

**Reconciliation of the Statement of Revenues
Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2002**

Net change in fund balances - total governmental funds \$ 600,989

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets are depreciated over their
estimated useful lives.

Expenditures for capital assets	\$ 97,410	
Less current year depreciation	<u>(70,735)</u>	26,675

Change in net assets of governmental activities \$ 627,664

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Statement E

Statement of Fiduciary Funds Net Assets - Agency Funds
For the Year Ended June 30, 2002

	<u>Advance Deposit Fund</u>	<u>Registry Of Court Fund</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 1,362,382	\$ 754,550	\$ 2,116,932
Investments	1,374,112	-	1,374,112
Receivables	5,501	18	5,519
Due from General Fund	76,050	-	76,050
Total Assets	<u>2,818,045</u>	<u>754,568</u>	<u>3,572,613</u>
Liabilities			
Due to General Fund	\$ 375,601	\$ 970	\$ 376,571
Unclaimed Properties	12,830	-	12,830
Due to Taxing Bodies and Others	2,429,614	753,598	3,183,212
Total Liabilities	<u>2,818,045</u>	<u>754,568</u>	<u>3,572,613</u>
Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

Statement F

**Statement of Changes in Fiduciary Net Assets - Agency Funds
For the Year Ended June 30, 2002**

	<u>Advance Deposit Fund</u>	<u>Registry Of Court Fund</u>	<u>Total</u>
Additions			
Deposits:			
Suits, Successions and Judgments	\$ 1,885,424	\$ 428,223	\$ 2,313,647
Interest	-	10,397	10,397
Total Additions	<u>1,885,424</u>	<u>438,620</u>	<u>2,324,044</u>
Deductions			
Clerk's Costs (Transferred to General Fund)	1,481,504	138	1,481,642
Settlements to Litigants	203,470	435,473	638,943
Attorney, Curator, and Notary Fees	2,715	-	2,715
Court Reporters	25,782	-	25,782
Sheriff's Fees	80,779	-	80,779
Judicial Expense	36,107	-	36,107
Judges Supplemental Comp Fund	49,164	-	49,164
Juror Cost	9,956	-	9,956
Other Reductions	35,630	-	35,630
Total Reductions	<u>1,925,107</u>	<u>435,611</u>	<u>2,360,718</u>
Changes in Due to Taxing Bodies and Others	(39,683)	3,009	(36,674)
Due to Taxing Bodies and Others - Beginning	<u>2,469,297</u>	<u>750,589</u>	<u>3,219,886</u>
Due to Taxing Bodies and Others - Ending	<u>\$ 2,429,614</u>	<u>\$ 753,598</u>	<u>\$ 3,183,212</u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

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 basic financial statements of the Tangipahoa Parish Clerk of Court have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Tangipahoa Parish Council. The council 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. Because the Clerk of Court is fiscally dependent on the council, the Clerk of Court was determined to be a component unit of the Tangipahoa 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.

C. FUND ACCOUNTING

The Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following are the clerk's governmental funds:

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

General Fund

The General Fund is the primary operating fund of the clerk and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to clerk policy.

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The Debt Service Fund is established to account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the General Long-Term Debt Account Group.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of the current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund and Other Funds of Statements A and B, use the modified accrual basis of accounting. 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 pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

which are recognized when the obligations are expected to be liquidated with expendable available financial resources. 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.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). Transfers are recorded when the transaction actually occurs.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the clerk as a whole. These statements include all the financial activities of the clerk. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from clerk users as a fee for services; program revenues reduce the cost of the function to be financed from the clerk's general revenues.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

Reconciliation

The reconciliation of the items reflected in the Governmental Funds Balance Sheet (Statement C) and Statement of Net Assets (Statement A) are as follows:

Fund balances - total governmental funds	\$ 3,130,739
Governmental capital assets	1,349,100
Less: accumulated depreciation	(735,140)
Compensated absences payable	(42,674)
Sick leave payable	(129,680)
Net assets of governmental activities	<u>\$ 3,572,345</u>

The reconciliation of the items reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement D) and Statement of Activities (Statement B) are as follows:

Net change in fund balances - total governmental funds	\$ 600,989
Expenditures for capital assets	97,410
Less: current year depreciation	(70,735)
Change in net assets of governmental activities	<u>\$ 627,664</u>

E. BUDGET PRACTICES

The proposed budget for the 2002 fiscal year was made available for public inspection at the clerk's office on May 16, 2001. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal on May 23, 2001. The budget hearing was held at the clerk's office on June 8, 2001. 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 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 time deposits. 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, 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.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at fair market value.

The Clerk of Court maintains some investments in the Louisiana Asset Management Pool (LAMP), 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. LAMP invests its assets only in securities and other obligations permissible under Louisiana law for local governments.

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the reporting of investment positions in 2a7-like pools (such as LAMP) be based on the pool's share price.

H. SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$500 or more for capitalizing assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings	40 Years
Buildings Improvements	20 Years
Furniture	7 Years
Office Equipment	7 Years
Data Processing	5 Years
Internet Conversion	10 Years
Microfilm Conversion	20 Years

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

J. COMPENSATED ABSENCES

The Clerk of Court has the following policy relating to vacation and sick leave:

Sick Leave

Each employee is granted 13 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. The liability of \$129,680 for vested accumulating rights to receive sick pay benefits, is recorded in the general long-term debt account group.

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 15 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 C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

K. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

L. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

R.S. 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, 2002, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any can be made at this time.

Reserves

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

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

Designated Fund Balances

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

M. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

N. ESTIMATES

The preparation of financials statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2002, the Clerk of Court has cash and cash equivalents (book balances) totaling \$3,510,755, as follows:

Interest-bearing Demand Deposits	\$ 3,010,755
Time Deposits	500,000
	<u>\$ 3,510,755</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, 2002, the clerk has \$3,523,393 in deposits (collected bank balances). These deposits are secured from risk by \$974,087 of federal deposit insurance and \$2,549,306 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.

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2002**

3. INVESTMENTS

Investments are categorized into these three categories of credit risk:

- I. Insured or registered, or securities held by the clerk or its agent in the clerk's name
- II. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the clerk's name
- III. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the clerk's name

All investments held by the Clerk of Court fall into category I credit risk, defined as "insured or registered, or securities held by the Clerk of Court or its agent in the Clerk of Court's name." In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At June 30, 2002, the Clerk of Court holds investments totaling \$2,701,561 as follows:

	Carrying Amount	Market Value
CMA Money Market - Merrill Lynch	\$ 1	\$ 1
Bank C D - Merrill Lynch	199,679	199,679
LAMP	2,501,881	2,501,881
	\$ 2,701,561	\$ 2,701,561

All investments are stated on the balance sheet (carrying value) at fair market value. All investments, except LAMP, are in the name of the clerk and are held at 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 Codification Section I50.164.

In accordance with GASB Codification Section I50.165, the investment in LAMP at June 30, 2002, is not categorized in the three risk categories provided by GASB Codification Section I50.164 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, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those 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 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

4. DUE TO/FROM OTHER FUNDS

The due to/from other funds of \$452,622, at June 30, 2002, is as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 376,572	\$ 76,050
Other Governmental Funds	-	-
Fiduciary Funds	76,050	376,572
	<u>\$ 452,622</u>	<u>\$ 452,622</u>

5. RECEIVABLES

The receivables of \$135,666 at June 30, 2002, are as follows:

Class of Receivable:	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Accounts Receivable	\$ 128,842	\$ -	\$ 128,842
NSF Receivable	1,305	5,519	6,824
	<u>\$ 130,147</u>	<u>\$ 5,519</u>	<u>\$ 135,666</u>

6. CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
Land	\$ 27,800	\$ -	\$ -	\$ 27,800
Buildings	202,068	3,503	-	205,571
Furniture	468,055	10,392	78,121	400,326
Office Equipment	157,867	31,620	14,950	174,537
Data Processing	229,737	12,753	2,000	240,490
Internet Conversion	141,151	8,444	-	149,595
Microfilm Conversion	143,987	7,562	750	150,799
Total	<u>\$ 1,370,665</u>	<u>\$ 74,274</u>	<u>\$ 95,821</u>	<u>1,349,118</u>
Less accumulated depreciation				735,158
Capital assets, net				<u>\$ 613,960</u>

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

7. PENSION PLAN

Plan Description. Substantially all employees of the Tangipahoa 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 100 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 Clerk of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Tangipahoa Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.00 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 Tangipahoa 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 Tangipahoa Parish Clerk of Court's contributions to the System for the years ending June 30, 2002, 2001, and 2000, were \$232,876, \$214,385, and \$202,923, respectively, equal to the required contributions for each year.

In addition, the Louisiana Legislature passed R.S. 11:1562(C) which allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee's required contributions which would otherwise be deducted from the employee's salary. The Clerk has elected to pay 100% of all retirement system contributions to the Louisiana Clerk of Court Retirement and Relief Fund.

Deferred Compensation Plan:

The Tangipahoa 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 the sole ownership of the participants. The Tangipahoa Parish Clerk of Court has no financial or fiscal responsibility to the deferred compensation plan.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

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, 2002, ten retired employees were covered under the clerk's health insurance plan. The cost to the Clerk of Court for the year ended June 30, 2002, was \$23,678.

9. COMPENSATED ABSENCES

At June 30, 2002, employees of the Clerk of Court have accumulated and vested \$172,354 of employee leave benefits, computed in accordance with GASB Codification Section C60. Of this amount, \$42,674 is recorded as an obligation of the general fund, and \$129,680 is recorded within the general long-term debt account group.

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 of more than twelve months at the end of the year.

11. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

Agency Funds:	Unsettled Deposits at Beginning of Year	Additions	Deletions	Unsettled Deposits at End of Year
Advance Deposit	\$ 2,469,297	\$ 1,885,424	\$ 1,925,107	\$ 2,429,614
Registry of Court	750,589	438,620	435,611	753,598
Total	<u>\$ 3,219,886</u>	<u>\$ 2,324,044</u>	<u>\$ 2,360,718</u>	<u>\$ 3,183,212</u>

12. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term debt transactions during the year:

Long-term debt payable at July 1, 2001	\$ 128,880
Additions	43,474
Deletions	-
Long-term debt payable At June 30, 2002	<u>\$ 172,354</u>

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

13. LITIGATION AND CLAIMS

At June 30, 2002, the Clerk of Court has one pending suit. It involves whether the Clerk of Court owes the Tangipahoa Parish Council any funds from his last term of office. (See footnote 18).

Claims and litigation costs of \$11,146 were incurred in the current year and have been recorded as a current-year expenditure in the General Fund.

14. 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 included in the accompanying financial statements.

15. COMMITMENTS AND INTERGOVERNMENTAL SERVICE AGREEMENT

On September 28, 1994, the Tangipahoa Parish Clerk of Court and the Tangipahoa Parish Tax Assessor entered into an agreement to jointly fund a new mapping system. The new mapping system is to be capable of producing ownership maps including roads and rivers in Tangipahoa 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.

On June 15, 2000, the Tangipahoa Parish Clerk of Court entered into a contract to enhance the Tangipahoa Parish Clerk of Court Office's web presence with particular emphasis on the constituents' web interface, provide transaction processing for credit card processing, and interface with the image retrieval system. The cost of this contract is estimated at \$95,000. The Tangipahoa Parish Clerk of Court has paid \$66,800 as of June 30, 2002 on this project and has reserved the remaining balance of \$28,200 in the General Fund.

On June 27, 2000, the Tangipahoa Parish Clerk of Court entered into a contract to develop a parcel base map of Tangipahoa Parish consisting of approximately 32,000 parcels. The cost of this contract is estimated at \$388,480. The Tangipahoa Parish Clerk of Court has paid \$231,983 as of June 30, 2002 on this project and has reserved \$156,497 in the Special Revenue Fund.

16. RESERVED FUND BALANCE

The amount in the General Fund Reserved Fund Balance is for contracts signed by the Tangipahoa Parish Clerk of Court. See footnote 15.

The amount in the Special Revenue Fund Reserved Fund Balances is for the mapping contract signed by the Tangipahoa Parish Clerk of Court, and the intergovernmental agreement between the Tangipahoa Parish Clerk of Court and the Tangipahoa Parish Assessor. See footnote 15.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2002

17. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

For the year ended June 30, 2002, 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>
Election Reimbursement	\$ 6,999
Clerk's Supplemental	17,114
Total On-Behalf Payments	\$ <u>24,113</u>

18. CONTINGENCIES

The Tangipahoa Parish Council has made a formal request that the Clerk of Court restate its general and/or salary fund as of June 30, 2000 to include the \$400,000 transferred to the special revenue fund and then in accordance with Louisiana R.S. 13:1785 pay to the Tangipahoa Parish Council all amounts which exceeded by one half the revenues of the last year of the Clerk's four year term. After the Tangipahoa Parish Council declined a resolution by the Clerk to resolve this issue, the Clerk has filed a "Petition for Declaratory Judgement" in the district court that the transfer of the funds to a special revenue account was done in accordance with the Louisiana Governmental Budget Act; and generally accepted accounting principles for governments, and that the salary fund balance at the end of his four year term ended June 30, 2000 did not exceed by one half the revenues of the last year of his term. The petition will probably be heard in early 2003.

19. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$37,350 was made to Net Assets - Beginning of Year. This adjustment was required to correctly account for the accrued vacation payable. In prior years the accumulated vacation payable was recorded as a current liability of the general fund, but with the implementation of GASB 34, the accrued vacation payable is now recorded as a long term liability.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
<i>Licenses and Permits:</i>				
Marriage Licenses	\$ 20,000	\$ 20,000	\$ 20,450	\$ 450
Passports	5,000	3,000	2,630	(370)
<i>Fees, Charges, and Commissions for Services:</i>				
<i>Court Cost, Fees, and Charges:</i>				
Criminal Fees	115,000	125,000	127,034	2,034
Suits & Successions	1,300,000	1,400,000	1,481,873	81,873
Court Attendance	12,000	7,000	7,820	820
<i>Fees for Recording Legal Documents:</i>				
Recordings, Cancellations, and Mortgages	950,000	1,300,000	1,403,970	103,970
<i>Use of Money and Property:</i>				
Interest & Dividends	80,000	80,000	139,902	59,902
Net Decrease in F.M.V of Investments		-	(541)	(541)
<i>Miscellaneous Revenues:</i>				
Minute Clerk Reimbursement	14,400	14,400	13,200	(1,200)
Election Reimbursement	8,000	7,000	6,999	(1)
Parish Council Reimbursement	-	3,000	2,641	(359)
Clerk's Supplemental	15,000	15,000	17,225	2,225
Election Qualifying Fees	4,000	3,000	1,220	(1,780)
Miscellaneous	500	500	60	(440)
Expungement	4,500	5,000	5,900	900
Mapping Copies	1,500	1,500	2,430	930
Unclaimed Property	-	-	470	470
Total Revenues	<u>2,529,900</u>	<u>2,984,400</u>	<u>3,233,283</u>	<u>248,883</u>

(Continued)

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2002

Expenditures	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
General Government:				
Clerk's Supplemental Comp.	\$ 15,000	\$ 15,000	\$ 14,975	\$ 25
Custodian of Voting Machines	2,400	2,400	2,400	-
Election Expense	-	1,200	1,203	(3)
Group Health Insurance	235,000	235,000	223,495	11,505
La Deferred Comp.	50,000	100,000	101,271	(1,271)
Medicare Taxes	12,000	12,000	15,460	(3,460)
Payroll Taxes	900	900	575	325
Retirement Contributions	240,000	240,000	232,876	7,124
Salary of Election Employees	10,000	10,000	7,695	2,305
Salary of Deputies	1,400,000	1,200,000	1,214,145	(14,145)
Salary of Deputies - Overtime	5,000	5,000	4,545	455
Salary of Official	75,000	75,000	74,900	100
Salary of Other Employees	25,000	35,000	36,088	(1,088)
Supplemental Comp. Fund	28,200	28,200	28,500	(300)
Uniforms	25,000	35,000	28,437	6,563
Total General Government	<u>2,123,500</u>	<u>1,994,700</u>	<u>1,986,565</u>	<u>8,135</u>
Operating Services:				
Building Maintenance & Security	18,000	500	774	(274)
Clerk's Expense Allowance	8,500	8,500	8,930	(430)
Dues & Association Fees	2,300	2,300	2,300	-
Errors & Omissions Insurance	23,000	21,600	21,600	-
Insurance Expense	5,000	5,000	3,907	1,093
Janitorial Service	-	6,125	7,500	(1,375)
Jury Commission	3,000	3,000	2,874	126
Legal Fees	10,000	10,000	11,146	(1,146)
Marriage License Spouse Abuse	15,000	15,000	9,702	5,298
Miscellaneous	2,500	2,500	2,128	372
Office Equipment Rental & Maintenance	30,000	30,000	24,921	5,079
Professional Fees	50,000	50,000	78,240	(28,240)
Qualifying Expense	8,000	8,000	1,137	6,863
Training Manual	70,000	90,000	64,273	25,727
Telephone	60,000	50,000	37,903	12,097
UCC Billings	40,000	40,000	32,352	7,648
Total Operating Services	<u>345,300</u>	<u>342,525</u>	<u>309,687</u>	<u>32,838</u>

(Continued)

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2002

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Materials and Supplies:				
Office Supplies	\$ 150,000	\$ 150,000	\$ 122,690	\$ 27,310
Postage	40,000	40,000	33,560	6,440
Computer Expense	50,000	50,000	35,719	14,281
Bank Charges	1,500	1,500	451	1,049
Total Materials and Supplies	241,500	241,500	192,420	49,080
Travel and Other Charges:				
Auto Expense	6,000	6,000	4,224	1,776
Clerk's Vehicle	15,000	1,800	-	1,800
Travel & Conventions	25,000	25,000	15,499	9,501
Training & Education	40,000	40,000	32,935	7,065
Total Travel and Other Charges	86,000	72,800	52,658	20,142
Capital Expenditures:				
Microfilm Contract		-	7,562	(7,562)
Archives	5,000	5,000	3,503	1,497
Computers	15,000	25,000	27,252	(2,252)
Furniture	20,000	20,200	19,030	1,170
Equipment	10,000	30,000	31,619	(1,619)
Renovations	75,000	75,000	-	75,000
Internet		-	8,444	(8,444)
Total Capital Expenditures	125,000	155,200	97,410	57,790
Total Expenditures	2,921,300	2,806,725	2,638,740	167,985
Excess Revenues (Expenditures)	(391,400)	177,675	594,543	416,868
Other Financing Sources (Uses)				
Sale of Fixed Assets	5,000	-	4,500	4,500
Operating Transfer In (Out)	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(95,000)	(100,000)	(95,500)	4,500
Excess Revenues Over Expenditures and Other Uses	(486,400)	77,675	499,043	421,368
Fund Balance, Beginning of Year	2,050,460	2,050,460	2,050,460	-
Prior Period Adjustment (Note 19)	37,350	37,350	37,350	-
Fund Balance, End of Year	\$ 1,601,410	\$ 2,165,485	\$ 2,586,853	\$ 421,368

(Concluded)

The accompanying notes are an integral part of these statements.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 2

Combining Balance Sheet
Non-Major Governmental Funds (Summary)
June 30, 2002

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 378,950	\$ 175,316	\$ 554,266
Total Assets	<u>\$ 378,950</u>	<u>\$ 175,316</u>	<u>\$ 554,266</u>
Liabilities and Equity			
Liabilities:			
Accounts Payable	\$ 10,380	\$ -	\$ 10,380
Total Liabilities	<u>10,380</u>	<u>-</u>	<u>10,380</u>
Equity:			
Reserved Fund Balance	156,497	129,680	286,177
Unreserved Fund Balance	<u>212,073</u>	<u>45,636</u>	<u>257,709</u>
Total Equity	<u>368,570</u>	<u>175,316</u>	<u>543,886</u>
Total Liabilities and Equity	<u>\$ 378,950</u>	<u>\$ 175,316</u>	<u>\$ 554,266</u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 3

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds (Summary)
For the Year Ended June 30, 2002

	Special Revenue	Debt Service	Total
Revenues			
Assessor	\$ 27,436	\$ -	\$ 27,436
Internet Fees	112,520	-	112,520
Interest Income	469	976	1,445
Map Copies	-	-	-
Other Governments	-	-	-
Total Revenues	140,425	976	141,401
Expenditures			
Bank Charges	38	-	38
Computer Expense	964	-	964
Education & Training	-	-	-
Office Supplies	1,472	-	1,472
Professional Services	135,612	-	135,612
Telephone	1,369	-	1,369
Travel Reimbursement	-	-	-
Capital Expenditure - Internet	-	-	-
Total Expenditures	139,455	-	139,455
Excess Revenues (Expenditures)	970	976	1,946
Other Financing Sources (Uses)			
Operating Transfer In (Out)	100,000	-	100,000
Total Other Financing Sources (Uses)	100,000	-	100,000
Excess Revenues (Expenditures) and Other Uses	100,970	976	101,946
Fund Balance, Beginning of Year	267,600	174,340	441,940
Fund Balance, End of Year	\$ 368,570	\$ 175,316	\$ 543,886

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 4

Combined Balance Sheet
Special Revenue Funds
June 30, 2002

	Mapping	Internet	Total
Assets			
Cash and Cash Equivalents	\$ 266,420	\$ 112,530	\$ 378,950
Total Assets	\$ 266,420	\$ 112,530	\$ 378,950
Liabilities and Equity			
Liabilities:			
Accounts Payable	\$ 10,380	\$ -	\$ 10,380
Total Liabilities	10,380	-	10,380
Equity:			
Reserved Fund Balance	156,497	-	156,497
Unreserved Fund Balance	99,543	112,530	212,073
Total Equity	256,040	112,530	368,570
Total Liabilities and Equity	\$ 266,420	\$ 112,530	\$ 378,950

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 5

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual - Special Revenue Funds
For the Year Ended June 30, 2002

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Assessor	\$ 1,000	\$ 27,450	\$ 27,436	\$ (14)
Internet Fees	95,000	110,500	112,520	2,020
Interest Income	5,000	435	469	34
Map Copies	1,000	-	-	-
Other Governments	1,000	-	-	-
Total Revenues	103,000	138,385	140,425	2,040
Expenditures				
Bank Charges	-	7	38	(31)
Computer Expense	5,000	1,000	964	36
Education & Training	6,000	-	-	-
Office Supplies	750	1,500	1,472	28
Professional Services	100,000	125,500	135,612	(10,112)
Telephone	1,200	1,300	1,369	(69)
Travel Reimbursement	2,500	-	-	-
Capital Expenditure - Internet	50,000	50,000	-	50,000
Total Expenditures	165,450	179,307	139,455	39,852
Excess Revenues (Expenditures)	(62,450)	(40,922)	970	41,892
Other Financing Sources (Uses)				
Operating Transfer In (Out)	100,000	100,000	100,000	-
Total Other Financing Sources (Uses)	100,000	100,000	100,000	-
Excess Revenues (Expenditures) and Other Uses	37,550	59,078	100,970	41,892
Fund Balance, Beginning of Year	267,600	267,600	267,600	-
Fund Balance, End of Year	\$ 305,150	\$ 326,678	\$ 368,570	\$ 41,892

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 6

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the Year Ended June 30, 2002

	Mapping	Internet	Total
Revenues			
Assessor	\$ 27,436	\$ -	\$ 27,436
Internet Fees	-	112,520	112,520
Interest Income	459	10	469
Total Revenues	27,895	112,530	140,425
Expenditures			
Bank Charges	38	-	38
Computer Expense	964	-	964
Office Supplies	1,472	-	1,472
Professional Services	135,612	-	135,612
Telephone	1,369	-	1,369
Total Expenditures	139,455	-	139,455
Excess Revenues (Expenditures)	(111,560)	112,530	970
Other Financing Sources (Uses)			
Operating Transfer In (Out)	100,000	-	100,000
Total Other Financing Sources (Uses)	100,000	-	100,000
Excess Revenues (Expenditures) Over Other Financing Sources	(11,560)	112,530	100,970
Fund Balance, Beginning of Year	267,600	-	267,600
Fund Balance, End of Year	\$ 256,040	\$ 112,530	\$ 368,570

The accompanying notes are an integral part of these statements.

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings in Schedule 7.

CURRENT AUDIT FINDINGS

The corrective action plan for current year audit findings is presented in Schedule 8.

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

Schedule 7

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2002**

Section I - Internal Control and Compliance Material to the Financial Statements.

There were no Prior Year Audit Findings for Internal Control or Compliance Material to the Financial Statements.

Section II - Management Letter.

Reference Number: 2001-M1

Description of Finding::

During the financial audit for the fiscal year ending June 30, 2002, we noted that the Tangipahoa Parish Clerk of Court did not have all of the receipts for charges on its credit cards. Most of the missing receipts were for charges for conventions & travel.

Corrective Action Taken:

Final

Reference Number: 2001-M2

Description of Finding:

During the financial audit for the fiscal year ending June 30, 2002, we noted that the Tangipahoa Parish Clerk of Court's Special Revenue Fund expenditures exceeded budgeted expenditures by more than 5%.

Corrective Action Planned:

Final

**TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana**

Schedule 8

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2002**

Section I - Internal Control and Compliance Material to the Financial Statements:

Reference Number: 2002-C1

Description of Finding:

During the financial audit for the fiscal year ending June 30, 2002, we noted that the Tangipahoa Parish Clerk of Court had not complied with R. S. 13:842(B). This statute states that after an ordinary suit has been filed, if a period of five years elapses without pleadings being filed and the suit has been completely inactive during this five-year period, the clerk shall refund any unused balance remaining in the clerk's advance deposit fund to the person who made the original deposit, after paying all fees or other charges of record in the suit.

Corrective Action Planned:

The Tangipahoa Parish Clerk of Court will print a list of all inactive suits for the last five years, and begin closing out these suits and refunding any remaining balances to the persons who made the original deposits.

Name of Contact Person:

Alison Theard, Chief Deputy
Tangipahoa Parish Clerk of Court
(985) 748-4146

Reference Number: 2002-C2

Description of Finding::

During the financial audit for the fiscal year ending June 30, 2002, we noted that the Tangipahoa Parish Clerk of Court had not totally complied with the bid law. The Tangipahoa Parish Clerk of Court ordered uniforms and purchased office equipment during the year that exceeded \$7,500 and did not obtain three telephone or fax quotes.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

Schedule 8

Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2002

Corrective Action Planned:

The Tangipahoa Parish Clerk of Court will comply with the bid law in the future. The reason it exceeded the bid price this year was due to additions to the original orders that made the orders exceed the \$7,500.

Name of Contact Person:

Alison Theard, Chief Deputy
Tangipahoa Parish Clerk of Court
(985) 748-4146

Anticipated Completion Date: Immediately

Section II - Management Letter.

There are no Current Year Management Findings.

Other Findings:

During the year ended June 30, 2002, the Louisiana Legislative Auditors Office concluded a limited examination of the Tangipahoa Parish Clerk of Court's Office. The findings of the Louisiana Legislative Auditor's Office and corresponding responses by the Tangipahoa Parish Clerk of Court's Office, can be found in a separate report. A copy of that report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Louisiana Legislative Auditor's Office and at the Tangipahoa Parish Clerk of Court's Office. In June, 2002, the report was given to a grand jury with no charges being made. The District Attorney has determined that the findings of the report were not sufficient for his office to take any action against the Clerk.

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Michael P. Estay, CPA
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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 Dahmer
Tangipahoa Parish Clerk of Court
Amite, Louisiana 70422

We have audited the general purpose financial statements of the Tangipahoa Parish Clerk of Court as of and for the year ended June 30, 2002, and have issued our report thereon dated December 20, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Tangipahoa Parish Clerk of Court in the Corrective Action Plan for Current Year Audit Findings as item number 2002-C1 and 2002-C2.

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.
CERTIFIED PUBLIC ACCOUNTANTS
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.

A handwritten signature in cursive script that reads "Bruce Harrell & Co." with a period at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
December 20, 2002