

**CLERK, CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS**

SALARY FUND

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

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 2/9/11

Clerk, Civil District Court for the Parish of Orleans

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Clerk, Civil District Court for the Parish of Orleans

Management's Discussion and Analysis
Year Ended June 30, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) of the Clerk, Civil District Court for the Parish of Orleans (the Clerk's) financial performance is designed to provide an overview of the financial activities as of and for the fiscal year ended June 30, 2010. This information should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required information that provides an overview of the Clerk's basic financial statements and financial activities. Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated in all material aspects. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided on these reports.

This annual report consists of a series of financial statements. The Clerk's basic financial statements consist of the following components: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The Statement of Net Assets reflects the financial position of the Clerk's office. The unrestricted fund balance for the Salary Fund, as reflected in this statement consists of funds available for future spending to meet the needs of the Clerk's Office.

The Statement of Activities reflects the changes in net assets. Net assets, the difference between assets and liabilities, are one way to measure the financial health of an entity. Over time, increases or decreases in net assets are one indicator of whether an entity's financial health is improving or deteriorating.

The Statement of Net Assets and the Statement of Activities report information on the Clerk of Court as a whole and about its activities in a way that shows the overall financial health of the office. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

Fund financial statements report detailed information on the Salary Fund maintained by the Clerk's office. This fund is established as mandated by State laws.

The Clerk of Court uses governmental funds for basic services. Governmental funds focus on how money flows into and out of the operating accounts and reflect the balances left at year-end that are available for spending. These funds are reported under the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

Clerk, Civil District Court for the Parish of Orleans

Management's Discussion and Analysis
Year Ended June 30, 2010

Fund Financial Statements - (continued)

The governmental fund statements provide a detailed short-term view of the 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 Clerk of Court's programs.

FINANCIAL HIGHLIGHTS

The financial statements provide details of the current year's operations:

As of June 30, 2010, the Clerk, Civil District Court for the Parish of Orleans maintained an Unrestricted Fund balance of \$9,279,302 representing the portion available to maintain the continuing obligations to citizens. Unrestricted Net Assets represents the net balance of all types of assets accumulated by the Clerk in excess of the amount invested in "capital assets" and any "restricted assets". Restricted assets are those that are constrained by creditors, grantors, contributors, or by laws and regulations. As of June 30, 2010, the Clerk did not have "restricted assets".

Total assets as of June 30, 2010 were \$10,209,587 and total liabilities were \$1,288,604. In accordance with statutory requirements, the Clerk has no bonded indebtedness or long-term notes.

The most significant continuing revenue sources for governmental activities were court filing fees.

The Statement of Net Assets and the Statement of Activities reports only one type of activity – governmental activities. All of the basic judicial services are reported as this type. Court filing fee charges to the public finance most of these services.

ORLEANS PARISH CLERK OF COURT AS A WHOLE

Because the Registry of the Court Agency Fund is on a calendar year basis and is reported in a separate audit report, only the Salary Fund is included in this discussion and analyses.

FINANCIAL ANALYSIS OF THE CLERK OF COURT AS A WHOLE (GWFS)

The Statement of Net Assets and the Statement of Activities report only one type of activity - governmental activities. Most of the basic judicial services are reported as this type. Fees charged to the public finance all of these activities.

Clerk, Civil District Court for the Parish of Orleans

Management's Discussion and Analysis
Year Ended June 30, 2010

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Assets

	2010	2009	Dollar Change	Total Percent Change
Current and Other Assets	\$ 10,121,971	\$ 7,195,824	\$ 2,926,147	40.66%
Capital Assets (net of accumulated depreciation)	87,616	101,971	(14,355)	(14.01)%
Total Assets	10,209,587	7,297,795	2,911,792	39.89%
Current Liabilities	907,022	1,181,264	(274,242)	(23.22)%
Non-Current Liabilities	323,652	-	323,652	100.00%
Total Liabilities	1,288,604	1,181,264	49,410	4.18%
Invested in Capital Assets	87,616	101,971	(14,355)	(14.01)%
Unrestricted	8,833,367	6,014,560	2,818,807	46.87%
Total Net Assets	\$ 8,920,983	\$6,116,531	\$ 2,804,452	45.85%

The Clerk's net assets increased by \$2,804,452 as a result of this year's operations. In 2006, the Louisiana Legislature mandated the merger of the offices of Orleans Parish Recorder of Mortgages, the Register of Conveyances and the Notarial Archives. The increase in current assets was mainly due to the additional revenue generated by the consolidation of three additional offices into the Clerk's Salary Fund on January 1, 2009. Fiscal year ending June 30, 2010 was the first full year of operations under the consolidation. The decrease of \$14,355 in capital assets was due to fewer capital assets purchased and a higher accumulated depreciation balance. The decrease of \$274,242 in current liabilities was mainly due to the decrease in accrued payroll liability at the end of the year. The increase in Non-Current Liabilities was due to the recognition in accordance with GASB 45 of other post-employment benefits liability.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased as a result of this year's operations and the additions of three new divisions that were consolidated into the Clerk's Salary Fund. The balance in net assets represents the accumulated results of all past years' operations.

Clerk, Civil District Court for the Parish of Orleans

Management's Discussion and Analysis
Year Ended June 30, 2010

Condensed Statement of Activities

	2010	2009	Dollar Change	Total Percent Change
Total Program Expense	\$ (7,495,830)	\$ (5,517,744)	(1,978,086)	35.85%
Total Program Revenues	10,443,471	7,054,804	3,388,667	48.03%
Net Program Income	2,947,641	1,537,060	1,410,581	91.77%
General Revenues	180,463	119,370	61,093	51.18%
Intergovernmental Transfer	-	1,000,000	(1,000,000)	100%
Change in Net Assets	3,128,104	2,656,430	471,674	17.75%
Net Assets:				
Beginning of the year, restated	5,792,879	3,460,101	2,332,778	64.42%
End of Year	\$ 8,920,983	\$ 6,116,531	\$ 2,804,452	45.85%

The Clerk's total revenues for the year in governmental activities were \$10,623,934 (\$10,443,471 in program revenues and \$180,463 in general revenues). The total cost of all programs and services was \$7,495,830.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S SALARY FUND

As noted earlier, the Clerk uses funds to control and manage money for particular purposes. However, only the Salary Fund is included in this report. Analyzing this fund helps to determine whether the Clerk is using her resources in a responsible manner and maintaining the financial integrity of the office.

The Salary Fund reported a fund balance increase of \$3,166,030.

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances

	2010	2009	Dollar Change	Total Percent Change
Total Revenues	\$ 10,623,934	\$ 8,174,174	\$ 2,224,976	29.97%
Expenditures:				
Current	7,433,953	5,458,664	1,975,290	36.19%
Capital Outlay	23,951	90,744	(103,868)	(81.26)%
Total Expenditures	7,457,904	5,549,408	1,871,422	33.50%
Net Change in Fund Balance	3,166,030	2,624,766	578,339	22.35%
Fund Balance:				
Beginning of the year	6,113,272	3,488,506	2,587,691	73.40%
End of Year	\$ 9,279,302	\$ 6,113,272	\$ 3,166,030	51.79%

Clerk, Civil District Court for the Parish of Orleans

Management's Discussion and Analysis
Year Ended June 30, 2010

SALARY FUND BUDGETARY HIGHLIGHTS

The Clerk, Civil District Court for the Parish of Orleans' budget for July 1, 2009 – June 30, 2010 was proposed and made available for public inspection by the Clerk, Civil District Court for the Parish of Orleans. There were no budget amendments during the current fiscal year.

A comparison of the budget to actual amounts follows:

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fees, charges, and commissions for services:			
Filing and recording fees for legal documents	\$ 6,098,379	\$ 9,132,526	\$ 3,034,147
Fees for copies of documents	788,917	1,089,112	300,195
Miscellaneous	-	221,833	221,833
Use of money and property – interest earnings	82,839	180,463	97,624
Total Revenues	\$ 6,970,135	\$ 10,623,934	\$ 3,653,799
Expenditures			
General government:			
Personnel services and related benefits	\$ 6,336,291	\$ 5,819,419	\$ 516,872
Operating services	1,633,482	1,614,534	18,948
Capital Outlay	757,450	23,951	733,499
Total Expenditures	\$ 8,727,223	\$ 7,457,904	\$ 1,269,319
Excess revenues (expenditures)	(1,757,088)	3,166,030	4,923,118
Fund balance at beginning of year	3,460,101	6,113,272	2,653,171
Fund balance at end of year	\$ 1,703,013	\$ 9,279,302	\$ 7,576,289

Clerk, Civil District Court for the Parish of Orleans

Management's Discussion and Analysis
Year Ended June 30, 2010

SALARY FUND BUDGETARY HIGHLIGHTS -- (Continued)

The favorable variance of \$3,034,147 in the filing and recording fees for legal documents is due to additional revenue generated by the consolidation of three additional offices into the Clerk's Salary Fund on January 1, 2009. As stated in the budget message for the fiscal year July 1, 2009 to June 30, 2010 budget, the Clerk's Office did not manage the other three (3) offices during the entire prior fiscal year. Therefore, the budget was estimated based on unaudited prior year financial statements. The favorable variance of \$221,833 in miscellaneous is mostly due to additional miscellaneous income generated by the Archives and Mortgage Divisions consolidated into the Clerk's Salary Fund January 1, 2010. The favorable variance of \$516,872 in personnel services & related benefits expense is due to a reduction in personnel as a result of consolidating the divisions. The favorable variance of \$18,948 in operating services expense is due to the implementation of controls over spending to create more efficient procedures. The favorable variance of \$733,499 in capital outlay is a result of the budgeted amount included the purchase and implementation of a unified indexing system and related software. The project is still in the development stages, therefore was not spent in the current fiscal year.

CAPITAL ASSETS

The Clerk's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2010 was \$87,616.

Computer Software	\$	59,622
Equipment		7,243
Furniture & Fixtures		<u>84,905</u>
Total Cost		151,770
Accumulated Depreciation		<u>(64,154)</u>
Net Capital Assets		<u>\$ 87,616</u>
Depreciation Expense		<u>\$ 38,303</u>

LONG TERM OBLIGATIONS

Clerks of Court are not allowed to incur long-term indebtedness for bonds or notes payable; therefore, the Clerk had no long-term debt outstanding.

The Clerk has one non-cancellable long-term lease agreements for office space. The lease expires October 2013. Monthly payments under the leases total \$18,806.

The Clerk entered into two lease agreements for vehicles during the year. The lease term for one of these leases is 36 months beginning on the date the lease is signed and another is for 48 months. Lease payments made for the vehicles during the year totaled \$17,917 which is included in office operations. The monthly minimum lease rental for the leases is \$1,010.

Clerk, Civil District Court for the Parish of Orleans

Management's Discussion and Analysis
Year Ended June 30, 2010

At the beginning of the current fiscal year, the Clerk has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The adoption of this standard requires the prospective recognition of Other Post Employment Benefits (OPEB) in the basic financial statements (net of contributions to any irrevocable trust). Prior to July 1, 2009, the Clerk did not recognize any OPEB liability in the basic financial statements. See Note 7 to the basic financial statements for further discussion of the Other Postemployment Benefits. At the end of the current year

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the Plan:

Annual Required Contribution	\$350,203
Interest on Net OPEB Obligation	14,008
Adjustment to Annual Required Contribution	-
Annual OPEB Cost (Expense)	364,211
Contributions Made	<u>(40,559)</u>
Increase in Net OPEB Obligation	323,652
Net OPEB Obligation - beginning of year	-
Net OPEB Obligation - end of year	<u>\$323,652</u>

ECONOMIC FACTORS AFFECTING OPERATIONS

The Clerk of Court's Office is primarily financed by filing fees charged to the public and costs for services rendered. The setting of these fees and costs is regulated by the Louisiana Revised Statutes which gives the Judges of the Civil District Court authority to set fees. The Clerk has no authority or discretion in setting fees.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Clerk, Civil District Court for the Parish of Orleans' finances and to show the Clerk of Court's accountability for the money it receives. If you have questions about this report or need additional information, contact the Honorable Dale N. Atkins, Clerk, Civil District Court for the Parish of Orleans, New Orleans, La. 70112 at phone number (504) 592-3472.



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Dale N. Atkins
Clerk, Civil District Court for the Parish of Orleans
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund - Salary Fund of the Clerk, Civil District Court for the Parish of Orleans, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clerk, Civil District Court for the Parish of Orleans's management. Our responsibility is to express an opinion 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 opinion.

As discussed in Note 1, the financial statements present only the activities of the Salary Fund of the Clerk, Civil District Court for the Parish of Orleans and do not purport to and do not present fairly the financial position of the Clerk, Civil District Court for the Parish of Orleans and the changes in its financial position, as of June 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

Honorable Dale N. Atkins
Clerk, Civil District Court for the Parish of Orleans
Independent Auditor's Report

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund-Salary Fund of the Clerk, Civil District Court for the Parish of Orleans as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedule on the General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2010, on our consideration of the Clerk, Civil District Court for the Parish of Orleans's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Stagni & Company

Thibodaux, LA
December 30, 2010

Clerk, Civil District Court for the Parish of Orleans

Statement of Net Assets
June 30, 2010

	Salary Fund
Assets	
Cash and cash equivalents	\$ 9,733,313
Receivables	170,559
Prepaid expenses	218,099
Capital assets, net of accumulated depreciation	87,616
Total Assets	10,209,587
Liabilities	
Accounts payable	178,337
Accrued payroll liabilities	178,449
Escrow on deposit	19,790
Due to Judicial Expense Fund	500,066
Due to Others	88,310
Non-current liability – net OPEB liability	323,652
Total Liabilities	1,288,604
Net Assets	
Invested in capital assets	87,616
Unrestricted	8,833,367
Total Net Assets	8,920,983
Total Liabilities and Net Assets	\$ 10,209,587

See notes to financial statements

Clerk, Civil District Court for the Parish of Orleans

Statement of Activities
June 30, 2010

	Salary Fund
Expenses	
General government:	
Personnel services and related benefits	\$ 5,842,991
Operating services	1,652,839
Total Expenses	7,495,830
Program Revenues	
Fees, charges, and commissions for services:	
Filing and recording fees for legal documents	9,132,526
Fees for copies of documents and facsimiles	1,089,112
Miscellaneous fees	221,833
Total Program Revenues	10,443,471
General Revenues	
Interest earnings	180,463
Total General Revenues	180,463
Net Assets	
Change in Net Assets	3,128,104
Beginning of year, restated	5,792,879
End of year	\$ 8,920,983

See notes to financial statements

Clerk, Civil District Court for the Parish of Orleans

Balance Sheet - Governmental Fund
June 30, 2010

	Salary Fund
Assets	
Cash and cash equivalents	\$ 9,733,313
Receivables	170,559
Prepaid expenses	218,099
Total Assets	10,121,971
Liabilities	
Accounts payable	178,337
Accrued payroll liabilities	56,166
Escrow on deposit	19,790
Due to Judicial Expense Fund	500,066
Due to others	47,500
Total Liabilities	842,669
Fund Equity	
Fund balance – unreserved and undesignated	9,279,302
Total Liabilities and Fund Equity	\$ 10,121,971

See notes to financial statements

Clerk, Civil District Court for the Parish of Orleans

Reconciliation of the Balance Sheet – Governmental Fund To the Statement of Net Assets June 30, 2010

Total fund balance – governmental fund (fund financial statements)	\$ 9,279,302
Amounts reported for <i>governmental activities</i> in the statement of net assets (government-wide financial statements) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	87,616
Certain non-current liabilities – OPEB obligations – are not due and payable in the current period and therefore are not reported in the funds	(323,652)
Accrued compensated absences are not recorded on fund financials because they are not due and payable at June 30, 2010	(122,283)
Total net assets (government-wide financial statements)	\$ 8,920,983

See notes to financial statements

Clerk, Civil District Court for the Parish of Orleans

Statement of Revenues, Expenditures and
Changes in Fund Balance – Governmental Fund
Year Ended June 30, 2010

Revenues

Fees, charges, and commissions for services:

Filing and recording fees for legal documents	\$ 9,132,526
Fees for copies of documents and facsimiles	1,089,112
Miscellaneous	221,833

Interest earnings	180,463
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Total Revenues	10,623,934
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Expenditures

General government:

Personnel services and related benefits	5,819,419
Operating services	1,614,534

Total Current Expenditures	7,433,953
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Capital Outlay	23,951
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Total Expenditures	7,457,904
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Excess of revenues over expenditures	3,166,030
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Fund balance at beginning of year	6,113,272
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Fund balance at end of year	\$ 9,279,302
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See notes to financial statements

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

Net change in fund balance (fund financial statements)	\$ 3,166,030
Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:	
Current year increase in compensated absences are not recorded on fund financials because they are not due and payable in the current year.	(23,571)
Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.	
Capital asset purchases capitalized	23,951
Depreciation expense	(38,306)

Changes in net assets (government-wide financial statements)	\$ 3,128,104
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See notes to financial statements

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

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 court filings, 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

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

Reporting entity – Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, (GASB 14) as amended by GASB 39 establishes standards for defining and reporting on the financial entity. The focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

On June 23, 2006, Act 621 of the 2006 regular legislative session was signed into law. Prior to the passage of Act 621, the Clerk, Civil District Court for the Parish of Orleans was a component unit of the Orleans Parish Judicial Expense Fund because of the Clerk’s fiscal dependence on the Judicial Expense Fund. However, Act 621 established the Clerk’s Salary Fund and specified that it will be funded by a minimum of 60% of the filing fees collected by the Clerk. As such, the Clerk is no longer fiscally dependent on the Judicial Expense Fund, and is now a discrete governmental financial reporting entity under the GASB standards.

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

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

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

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Salary Fund

The Salary Fund, as provided by Louisiana Revised Statute 13:751.4, is the principal fund of the Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Agency Fund

The Registry of Court Agency Fund, as provided by Louisiana Revised Statute 13:1305, accounts for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of accounting – Fund Financial Statements (FFS) - The amounts reflected in the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (FFS), 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 balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in these statements (FFS), 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 governmental funds use the following practices in recording revenues and expenditures:

Revenues

Filing fees are recorded in the year in which they are earned. Interest income on investments is recorded when the investments have matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

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

Basis of accounting - Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities (GWFS) display information about the Clerk, Civil District Court for the Parish of Orleans as a whole. These statements include all the financial activities of the Clerk, Civil District Court for the Parish of Orleans. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

Budget practices - Commencing with fiscal year end June 30, 2009, the Clerk Civil District Court for the Parish of Orleans adopted her own discreet budget separate from the Orleans Parish Civil District Judicial Expense Fund. The Clerk, Civil District Court for the Parish of Orleans' budget was proposed and made available for public inspection by the Clerk.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. There were no amendments to the budget in this fiscal year.

Cash and cash equivalents - Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Uncollectible accounts receivable - The Clerk of Court considers all accounts receivable at June 30, 2010 to be fully collectible. Accordingly, no allowance for uncollectible accounts is required.

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 capital assets.

Capital assets are recorded in their 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:

Description	Estimated Lives
Computers	3 years
Office Equipment	5 years
Furniture & Fixtures	5 years
Automobiles	5 years
Leasehold Improvements	20 years

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Compensated absences - Employees of the Clerk of Court's office earn from 1 to 4 weeks vacation leave per year based on years of service. The vacation time accrues on an employment anniversary date basis and must be used in the following year of service, otherwise it is forfeited. The accrued accumulated leave which had been unused by employees at June 30, 2010 has been included in the government - wide financial statements.

Fund equity - Reserves represent those portions of fund equity not appropriable for expenditure or are legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. All of the Clerk's fund equity was un-reserved and un-designated as of June 30, 2010.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

2. REGISTRY OF COURT FUND OMISSION

The Registry of Court Agency Fund is on a calendar year basis and was audited by other auditors who issued an unqualified opinion dated May 21, 2010 on its financial statements as of December 31, 2009. Since the Registry of Court Agency Fund is on a different fiscal year than the Salary Fund and was audited by other auditors, it is not included in the audit of the Salary Fund.

3. CASH AND CASH EQUIVALENTS

At June 30, 2010, the Clerk of Court – Salary Fund, has cash, all in checking accounts (book balances) totaling \$9,733,313 and bank balances for these accounts were \$9,860,185.

The deposits are stated at cost, which approximates market. Under state law, the 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.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of year-end \$9,610,185 of the Clerk's bank balance was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Clerk's name.

These deposits are secured from risk by \$250,000 of federal deposit insurance and one Federal Home Loan Bank Letter of Credit held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) with a par value of \$22,000,000 and a market value of \$22,000,000 at June 30, 2010.

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

3. CASH AND CASH EQUIVALENTS (continued)

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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.

4. RECEIVABLES

The receivables of \$170,559 at June 30, 2010, are for court filing fees and documentary tax fees. Of this amount, \$2,644 are for checks that were returned for non sufficient funds and are past due ninety days or more at June 30, 2010.

5. DUE TO JUDICIAL EXPENSE FUND

During fiscal year ended June 30, 2010, 100% of the filing fees collected were deposited into the Clerk's bank account and a portion of those fees were disbursed by the Clerk to the Orleans Parish Civil Judicial Expense Fund at the close of each month. Employee Benefits are paid by the Judicial Expense Fund and billed back to the Clerk each month. As of June 30, 2010, the Clerk had a net balance due to the Judicial Expense Fund of \$500,066. Such amount is represented as Due to Judicial Expense Fund on the Clerk's financial statements.

6. PENSION PLANS

Louisiana Clerks of Court Retirement and Relief Fund

Plan Description. The majority of employees of the Clerk, Civil District Court for the Parish of Orleans are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system provides retirement, survivor, disability and terminated benefits to plan members and beneficiaries.

Louisiana Clerks of Court Retirement and Relief Fund-(Continued)

Funding Policy. All full-time employees earning at least \$500 per month 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 an annual retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Final average salary for employees commencing employment on or after October 1, 2006 is the employee's average salary over 60 consecutive months. 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 full benefit accrued to their date of termination.

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

The System also provides death and disability benefits. Benefits are established by state statute. Contributions to the System include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's 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.

Annual Pension Cost. For 2010, the Clerk's annual pension cost of \$391,150 agreed with the Clerk's required contribution of \$391,150. The required contribution was determined as part of the June 30, 2009 actuarial valuation. The actuarial assumptions included an 8% investment rate of return (net of administrative expenses) and a projected salary increase of 6% per year.

Required supplemental information – Schedule of Funding Program of PERS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll (b-a)/(c)
06/30/2007	\$325,278,452	\$409,351,418	\$84,072,966	80%	\$78,384,249	107%
06/30/2008	\$356,502,864	\$441,718,760	\$85,215,896	81%	\$83,637,009	102%
06/30/2009	\$338,755,452	\$424,940,525	\$86,185,073	80%	\$85,840,893	100%

The following provides certain additional disclosures for the Clerk and the retirement system:

Clerk, Civil District Court for the Parish of Orleans	Year Ended June 30, 2010
Total current-year payroll	\$2,651,858
Total current-year covered payroll – employer	\$2,651,861
Total current-year covered payroll – employees (excluding DROP wages)	\$2,301,415
Actuarially required contribution: Dollar amount	\$592,523

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

Louisiana Clerks of Court Retirement and Relief Fund - (Continued)

Percentage of total actuarially required contribution of all participating employers and employees 2.5%

	Required by Statute		Actual Contribution	
Contributions:				
Employees	8.75%	\$201,374	8.75 %	\$201,374
Employer	14.75%	\$391,150	14.75%	\$391,150
	23.50%	\$592,524	23.50%	\$592,524

Actuarial information about the System for its most recent year available, the year ended June 30, 2009, is presented below.

Louisiana Clerks of Court Retirement and Relief Fund

Estimated payroll for current year	\$	88,808,134
Actuarially required contributions:		
Actuarially required contribution for dedicated taxes:		
Dollar amount		\$7,985,608
Percent of estimated payroll		8.99%
Actuarially required contribution for employers and employees:		
Dollar amount		\$15,145,456
Percent of estimated payroll		17.05%
Total actuarially required contribution:		
Dollar amount		\$23,131,064
Percent of estimated payroll		26.05%
Net assets, fair value		\$338,755,452
Pension benefit obligation		\$424,940,525
Unfunded benefit obligation	\$	86,185,073

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

Louisiana Clerks of Court Retirement and Relief Fund - (Continued)

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B-1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

The Clerk, Civil District Court for the Parish of Orleans does not guarantee the benefits granted by the System.

Other Pension Plans

On January 1, 2009, three new divisions were consolidated in to the Clerks office. Employees of those divisions who were participants in one of the following plans, continued to participate in those plans. As of January 1, 2009 all new participants under the consolidation will participate in the Louisiana Clerks of Court Retirement and Relief Fund.

Plan Description: Those additional plans in which the employees of the Clerk Civil District Court for the Parish of New Orleans participate are as follows:

<u>Plan</u>	<u>Louisiana Revised Statute</u>
Louisiana State Employees' Retirement System	11:401-542
Employees' Retirement System of the City of New Orleans	City of New Orleans Code Chapter 114

Generally eligibility to participate in one of the plans commences with full time permanent employment and, in some instances, is subject to certain age and earning requirements.

Vesting of full benefits is subject to various years of required service, generally ranging from twelve to thirty years and, in some instances, may require attainment of a minimum age.

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

Other Pension Plans - (Continued)

Annual Retirement benefits under the plans are generally stipulated as a percentage of a participant's defined annual compensation for each year of service. In certain instances, the resulting amount may be increased by a fixed amount. In most cases, annual retirement benefits may not exceed 100% of the participant's defined annual compensation. The plans issue publicly available reports that include financial statements and required supplementary information. The reports may be obtained via contact as follows:

Louisiana State Employees' Retirement System
8401 United Plaza Blvd
Baton Rouge, LA 70804-4213
Telephone: (800) 256-3000
Fax: (225) 922-0614
Website: lasers.state.la.us

City of New Orleans Employees' Retirement System
1300 Perdido Street, Room 1E12
New Orleans, LA 70112
Telephone: (504) 658-1850
Fax: (504) 658-1602

Under the terms of the plans, employees contribute a specified percentage of their gross earnings and the Clerk Civil District Court for the Parish of New Orleans also contributes a specified percentage.

Louisiana State Employees' Retirement System

Annual Pension Cost. For 2010, the Clerk's annual pension cost of \$135,657 agreed with the Clerk's required contribution of \$135,657. The required contribution was determined as part of the June 30, 2009 actuarial valuation.

Required supplemental information – Schedule of Funding Program of PERS (Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll (b-a)/(c)
6/30/2007	\$8,345,495	\$12,421,907	\$4,076,412	67.2%	\$2,175,367	187.4%
6/30/2008	\$9,167,170	\$13,562,214	\$4,395,044	67.6%	\$2,436,956	180.3%
6/30/2009	\$8,499,662	\$13,986,847	\$5,487,185	60.8%	\$2,562,576	214.1%
6/30/2010	\$8,512,403	\$14,764,015	\$6,251,612	57.7%	\$2,546,457	245.5%

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

The following provides certain additional disclosures for the Clerk and the Louisiana State Employees' Retirement System:

Clerk, Civil District Court for the Parish of Orleans	Year Ended June 30, 2010
Total current-year payroll	\$727,694
Total current-year covered payroll – employer	\$717,764
Total current-year covered payroll – employees (excluding DROP wages)	\$729,295
Actuarially required contribution: Dollar amount	\$191,084
Percentage of total actuarially required contribution of all participating employers and employees	.02%

	Required by Statute	Actual Contribution
Contributions:		
Employees	7.60% \$ 55,426	7.60% \$ 55,426
Employer	18.90% 135,657	18.90% 135,657
	26.50% \$ 191,084	26.50% \$ 191,084

Actuarial information about the System for its most recent year available, the year ended June 30, 2009, is presented below.

Louisiana State Employees' Retirement System

Estimated payroll for current year	\$ 2,546,456,790
Actuarially required contributions:	
Actuarially required contribution for dedicated taxes:	
Dollar amount	\$399,232
Percent of estimated payroll	7.816%
Actuarially required contribution for employers and employees:	
Dollar amount	\$863,608,524
Percent of estimated payroll	%

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

Total actuarially required contribution:		
Dollar amount		\$864,007,756
Percent of estimated payroll		%
Net assets, fair value		\$8,512,402,951
Pension benefit obligation		14,764,014,688
Unfunded benefit obligation		\$ 6,358,092,447

City of New Orleans Employees' Retirement System

Annual Pension Cost. For 2010, the Clerk's annual pension cost of \$154,749 agreed with the Clerk's required contribution of \$154,749. The required contribution was determined as part of the June 30, 2009 actuarial valuation.

Required supplemental information – Schedule of Funding Program of PERS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll (b-a)/(c)
12/31/2007	\$ 398,490,554	\$ 423,794,409	\$ 25,303,855	94.02%	\$ 63,456,911	39.92%
12/31/2008	381,604,003	450,942,554	69,338,551	84.62%	78,846,321	87.94%
12/31/2009	387,146,017	437,475,919	50,329,902	88.50%	89,366,260	56.32%

The following provides certain additional disclosures for the Clerk and the City of New Orleans Employees' Retirement System:

<u>Clerk, Civil District Court for the Parish of Orleans</u>	Year Ended June 30, 2010
Total current-year payroll	\$ 853,180
Total current-year covered payroll – employer	1,041,590
Total current-year covered payroll – employees (excluding DROP wages)	853,172
Actuarially required contribution:	
Dollar amount	24,855,958
Percentage of total actuarially required contribution of all participating employers and employees	.76%

(Continued)

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

City of New Orleans Employees' Retirement System - (Continued)

	Required by Statute		Actual Contribution	
Contributions:				
Employees	4%	\$34,127	4%	\$ 34,127
Employer	14.86%	\$154,749	14.86%	\$154,749
	18.86%	\$188,876	18.86%	\$ 188,876

Actuarial information about the System for its most recent year available, the year ended December 31, 2009, is presented below.

City of New Orleans Employees' Retirement System

Estimated payroll for current year	\$	89,366,260
Actuarially required contributions:		
Actuarially required contribution for dedicated taxes:		
Dollar amount		-
Percent of estimated payroll		-%
Actuarially required contribution for employers and employees:		
Dollar amount	\$24,855,958	
Percent of estimated payroll		27.814%
Total actuarially required contribution:		
Dollar amount	\$24,855,958	
Percent of estimated payroll		27.814%
Net assets, fair value		\$387,146,017
Pension benefit obligation		\$437,475,919
Unfunded benefit obligation	\$	50,329,902

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

6. PENSION PLANS - (Continued)

City of New Orleans Employees' Retirement System - (Continued)

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report. The reports may be obtained via contact as follows:

Louisiana Clerks of Court Retirement and Relief Fund
11745 Bricksome Avenue, Suite B-1
Baton Rouge, Louisiana 70816
or by calling (225) 293-1162.

Louisiana State Employees' Retirement System
8401 United Plaza Blvd
Baton Rouge, LA 70804-4213
Telephone: (800) 256-3000
Fax: (225) 922-0614
Website: lasers.state.la.us

City of New Orleans Employees' Retirement System
1300 Perdido Street, Room 1E12
New Orleans, LA 70112
Telephone: (504) 658-1850
Fax: (504) 658-1602

The Clerk, Civil District Court for the Parish of Orleans does not guarantee the benefits granted by any of the Systems.

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

7. OTHER POST-EMPLOYMENT BENEFITS

At the beginning of the current fiscal year, the Clerk has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The adoption of this standard requires the prospective recognition of Other Post Employment Benefits (OPEB) in the basic financial statements (net of contributions to any irrevocable trust). Prior to July 1, 2009, the Clerk did not recognize any OPEB liability in the basic financial statements. The beginning balance of net assets was restated for the recognition of the OPEB liability as of July 1, 2009.

The Clerk, Civil District Court for the Parish of Orleans provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and the Clerk of Court. The Clerk of Court includes the cost of providing these benefits (the Clerk's portion of the premiums) in insurance expense when the monthly premiums are due. The cost of such premiums borne by the Clerk of Court amounted to \$40,559 for 2010. These benefits are provided in accordance with the provisions of the Office of Group Benefits (OGB) in which the Clerk, Civil District Court for the Parish of Orleans office participates as described in note 6.

Plan Description. The Clerk's defined benefit postemployment health care plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Office of Group Benefits (OGB), an agent multiple-employer postemployment healthcare plan administered by the Office of Group Benefits (OGB).

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the Office of Group Benefits (OGB). The retiree portion of health is 25% for retirees hired prior to 1/1/02 and ranges from 19% to 75% based on years of service for retirees hired after 1/1/02. The clerk pays 50% of basic life premiums and approximately 67% of dental. Total retiree premiums for the year were \$54,722, \$40,559 paid by Clerk and \$14,163 paid by retirees.

Annual OPEB and Net OPEB Obligation. For 2010, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with parameters of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the ARC represents the level of funding theta, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

7. OTHER POST-EMPLOYMENT BENEFITS - (Continued)

The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$350,203
Interest on Net OPEB Obligation	14,008
Adjustment to Annual Required Contribution	-
Annual OPEB Cost (Expense)	364,211
Contributions Made	<u>(40,559)</u>
Increase in Net OPEB Obligation	323,652
Net OPEB Obligation - beginning of year	-
 Net OPEB Obligation - end of year	 <u>\$323,652</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal Year 2010 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
June 30, 2010	<u>\$364,211</u>	11.1%	<u>\$323,652</u>

Funded Status and Funding Progress. As of June 30, 2009, the Actuarial Accrued Liability ("ALL") for benefits was \$3,959,203, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan was \$2,651,861, and the ratio of the unfunded ALL to the covered payroll was 149%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presented at the conclusion of this note, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

7. OTHER POST-EMPLOYMENT BENEFITS - (Continued)

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuations, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 4.0% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.5% after 10 years. The Clerk's actuarial liability is being amortized as a level percentage of projected payrolls on an open basis over 30 years.

Required Supplementary Information - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded ALL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
July 1, 2009	\$0	3,959,203	\$3,959,203	0.0%	\$2,651,861	149%

The cost of such premiums borne by the Clerk of Court for both active and retired participants amounted to \$490,005 for 2010. These benefits are provided in accordance with the provisions of the Louisiana Clerks of Court Retirement and Relief System in which the Clerk's office participates as described in Note 7.

8. CAPITAL ASSETS

A schedule of changes in capital assets follows:

	Balance 6/30/09	Additions	Disposals	Balance 6/30/10
Equipment	\$ 127,819	\$ 23,951	-	\$ 151,770
Accumulated Depreciation	25,848	38,303	-	64,154
Capital Assets, Net	\$ 101,971	\$ (14,352)	-	\$ 87,616

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

9. FACILITIES, FURNITURE, FIXTURES AND EQUIPMENT OWNED BY OTHER ENTITIES

The office space occupied by the Clerk, Civil District Court for the Parish of Orleans is owned by the City of New Orleans, which is statutorily required to provide office space for the Clerk.

10. LEASE COMMITMENTS

The Clerk has one non-cancellable long-term lease agreement for office space. The expiration date of the lease is November 2013. Lease payments made during the year totaled \$225,677 which is included in office operations. The monthly minimum lease rental for the lease is \$18,806.

Future minimum lease payments, by year and in the aggregate, under non-cancellable leases for office space with initial or remaining terms of one year or more consisted of the following at June 30, 2010.

2011	225,677
2012	225,677
2013	225,677
2014	94,032
	<u>\$ 771,063</u>

The Clerk entered in to two lease agreements for vehicles during the year. The lease term for one of these leases is 36 months beginning on the date the lease is signed and another is for 48 months. Lease payments made for the vehicles during the year totaled \$17,917 which is included in office operations. The monthly minimum lease rental for the leases is \$1,010.

Future minimum lease payments, by year and in the aggregate, under non-cancellable vehicle leases with initial or remaining terms of one year or more consisted of the following at June 30, 2010.

2011	12,125
2012	12,125
2013	9,684
2014	3,201
	<u>\$ 37,135</u>

Clerk, Civil District Court for the Parish of Orleans

Notes to the Financial Statements
Year Ended June 30, 2010

11. SUBSEQUENT EVENT

At the end of October, subsequent to the end of the fiscal year, the database at Civil District Court malfunctioned. While the Clerk's original property records remain intact, the database served as an electronic index. The Judges of Civil District Court have authority and control of the IT department, and oversee the database information and technology to keep the system functional.

The database is projected to be fully restored as of January 2, 2011. The Clerk's Office is on target to meet the January 2 deadline.

CLERK, CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2010

Clerk, Civil District Court for the Parish of Orleans

Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2010

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fees, charges, and commissions for services:			
Filing and recording fees for legal documents	\$ 6,098,379	\$ 9,132,526	\$ 3,034,147
Fees for copies of documents	788,917	1,089,112	300,195
Miscellaneous	-	221,833	221,833
Interest Earnings	82,839	180,463	97,624
Total Revenues	\$ 6,970,135	\$ 10,623,934	\$ 3,653,799
Expenditures			
General government:			
Personnel services and related			
Benefits	\$ 6,336,291	\$ 5,819,419	\$ 516,872
Operating services	1,633,482	1,614,534	118,948
Computers, Equipment, Furniture & Supplies	757,450	23,951	733,499
Total Expenditures	\$ 8,727,223	\$ 7,457,904	\$ 1,269,319
Excess revenues (expenditures)	(1,757,088)	3,166,030	4,923,118
Fund balance at beginning of year	3,460,101	6,113,272	2,653,171
Fund balance at end of year	\$ 1,703,013	\$ 9,279,302	\$ 7,576,289

See notes to financial statements

**CLERK, CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS**

REPORTS REQUIRED BY GAO

YEAR ENDED JUNE 30, 2010



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Honorable Dale N. Atkins
Clerk, Civil District Court for the Parish of Orleans
New Orleans, Louisiana

We have audited the financial statements of the governmental activities and the major fund –Salary Fund of the Clerk, Civil District Court for the Parish of Orleans as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements and have issued our report thereon dated December 30, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Clerk, Civil District Court for the Parish of Orleans internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Clerk, Civil District Court for the Parish of Orleans
New Orleans, Louisiana
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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk, Civil District Court for the Parish of Orleans financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
December 30, 2010



Clerk, Civil District Court for the Parish of Orleans

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

We have audited the basic financial statements of the Salary Fund of the Clerk; Civil District Court for the Parish of Orleans as of and for the year ended June 30, 2010 and have issued our report thereon dated December 30, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2010 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses ___ Yes X No, Significant Deficiencies ___ Yes X No

Compliance:

Compliance Issues Material to Financial Statements ___ Yes X No

- b. Federal Awards – Reports not required; no federal funds expended during the year.
- c. Identification of Major Programs – None

Section II Financial Statement Findings – No matters were reported

Section III Federal Award Findings and Questioned Costs – None