

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Financial Report

Year Ended June 30, 2008

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.

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The Honorable Diane Meaux Broussard
Vermilion Parish Clerk of Court
Abbeville, Louisiana

We have audited the accompanying financial statements of the governmental activities and major fund of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, as of and for the year ended June 30, 2008, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Vermilion 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 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 of our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Vermilion Parish Clerk of Court as of June 30, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2008, on our consideration of the Vermilion Parish Clerk of Court'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 the 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 considered in assessing the results of our audit.

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The budgetary comparison information on page 26 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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. The Vermilion Parish Clerk of Court has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermilion Parish Clerk of Court's basic financial statements. The other supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
October 31, 2008

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 744,256
Receivables	56,337
Prepaid expenditures	34,407
Capital assets, net of depreciation	<u>234,877</u>
Total assets	<u>1,069,877</u>
LIABILITIES	
Accounts payable	51,680
Long term liabilities	
Compensated absences	32,051
Capital lease payable -	
Due within one year	51,211
Due in more than one year	<u>95,057</u>
Total liabilities	<u>229,999</u>
NET ASSETS	
Invested in capital assets, net of related debt	88,609
Unrestricted	<u>751,269</u>
Total net assets	<u>\$ 839,878</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Balance Sheet – Governmental Fund
June 30, 2008

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 744,256
Receivables	56,337
Prepaid expenditures	<u>34,407</u>
Total assets	<u>\$ 835,000</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 51,680
Total liabilities	<u>51,680</u>
Fund balances:	
Reserved for prepaid expenditures	34,407
Unreserved:	
Undesignated	<u>748,913</u>
Total fund balances	<u>783,320</u>
Total liabilities and fund balances	<u>\$ 835,000</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
To the Statement of Net Assets
June 30, 2008

Total fund balances for the governmental fund at June 30, 2008		\$ 783,320
Cost of capital assets at June 30, 2008	\$ 810,866	
Less: accumulated depreciation	<u>(575,989)</u>	234,877
Compensated absences liability		(32,051)
Capital lease payable:		
Due within one year	(51,211)	
Due in more than one year	<u>(95,057)</u>	<u>(146,268)</u>
Total net assets of governmental activities at June 30, 2008		<u>\$ 839,878</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Fund
Year Ended June 30, 2008

	General Fund
Revenues:	
Licenses and permits	\$ 33,926
Fees, charges and commissions -	
Court costs, fees and charges	360,188
Fees for recording legal documents	1,523,013
Fees for certified copies	42,155
Intergovernmental	84,597
Miscellaneous	<u>32,396</u>
Total revenues	<u>2,076,275</u>
Expenditures:	
Current -	
General government -	
Salaries	984,985
Employee benefits	515,371
Insurance	15,205
Operation and maintenance	227,109
Advertising	1,207
Vehicle	17,157
Professional services	105,284
Miscellaneous	67,546
Police jury expenditures	10,720
Capital outlay	122,952
Debt service -	
Principal	41,842
Interest	<u>13,003</u>
Total expenditures	<u>2,122,381</u>
Excess (deficiency) of revenues over expenditures	<u>(46,106)</u>
Other financing sources:	
Proceeds from capital lease	<u>50,135</u>
Total other financing sources	<u>50,135</u>
Excess of revenues and other financial sources over expenditures	<u>4,029</u>
Fund balances, beginning of year	<u>779,291</u>
Fund balances, end of year	<u>\$ 783,320</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Fund
To the Statement of Activities
Year Ended June 30, 2008

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 4,029
Add: Capital outlay costs which are reported as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances	122,952
Principal payments on long-term debt reported as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance	41,842
Less: Proceeds of capital lease provide current financial resources to Governmental Funds but increase liabilities in the Statement of Net Assets	(50,135)
Increase in liability for compensated absences	(32,051)
Depreciation expense is not recognized as an expenditure in the governmental fund	<u>(54,683)</u>
Total change in net assets per Statement of Activities	<u>\$ 31,954</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Agency Assets and Liabilities – Fiduciary Funds
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$1,430,161</u>
LIABILITIES	
Due to litigants and others	<u>\$1,430,161</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a 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.

Financial Reporting Entity

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

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

Appointing a voting majority of an organization's governing body, and

The ability of the Police Jury to impose its will on that organization and/or

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.

Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Policy Jury provides the Vermilion Parish Clerk of Court (Clerk) with office space, operational expenditures and certain capital purchases, the Clerk was determined to be a component unit of the Vermilion Parish Policy Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the Police Jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The accompanying basic financial statements of the Clerk have been prepared in conformity with governmental 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.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Clerk. Information contained in these statements reflects 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*.

The statement of activities presents a comparison between direct expenses and program revenues for the Clerk's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Clerk, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Clerk are classified into two categories: governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for Clerk operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Clerk is considered to be a major fund. The funds of the Clerk are described below:

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the Clerk and it accounts for the operations of the Clerk’s office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk’s policy.

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 cash held by the clerk of court as an agent for litigants 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*. The agency funds are as follows:

Advance Deposit Fund – The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of the Court Fund – The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Non-Support Fund – The Non-Support Fund, as provided by Louisiana Revised Statute 13:848, accounts for the collection and disbursement of fees in criminal cases that have been sent by the Department of Social Services.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded with the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assets, Liabilities, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The clerk has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the clerk 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.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the clerk's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Prepaid items

The clerk's policy regarding prepaid expenditures is to record the portion of insurance premiums and maintenance agreements that is paid during the current fiscal year for future periods.

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. 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. Depreciation is provided using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office equipment	5-10
Computer and microfilm equipment	5-10

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

Employees of the Clerk of Court's office earn 5 to 20 days of leave each year depending on length of service. Such leave is to be used for vacation, sickness, or emergencies. Employees are allowed to carryover a maximum of 15 days of unused leave to the following year.

Restricted net assets

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

1. Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance 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.

Revenues, Expenditures and Expenses

Operating revenues and expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the Clerk is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function and in the funds financial statements, expenditures are classified by type.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary and Budgetary Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

The following procedures apply to establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts utilizing the direct write-off method. Although this method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2008.

Estimates

The preparation of financial 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 and expenditures during the reporting period. Actual results could differ from those estimates.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Clerk may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2008, the Clerk of Court has cash and cash equivalents (book balances) totaling \$2,174,417 as follows:

	Governmental Fund Type	Fiduciary Fund Type	Total
Cash and demand deposits	\$ 17,408	\$ 10,392	\$ 27,800
Money market and savings accounts	726,848	1,419,769	2,146,617
	\$ 744,256	\$ 1,430,161	\$ 2,174,417

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. 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. The following is a summary of deposit balances (bank balances) at June 30, 2008, and the related federal insurance and pledged securities:

Bank balances	\$ 2,278,172
Federal insurance	574,015
Pledged securities (Category 3)	2,660,994
Excess of pledged securities and federal insurance	\$ 956,837

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 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.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Governmental activities:				
Computer equipment	\$ 421,420	\$ 93,415	\$ (7,450)	\$ 507,385
Office equipment	216,117	9,397	-	225,514
Microfilm equipment	<u>57,827</u>	<u>20,140</u>	-	<u>77,967</u>
Total	<u>695,364</u>	<u>122,952</u>	<u>(7,450)</u>	<u>810,866</u>
Less: accumulated depreciation				
Computer equipment	297,663	40,146	(7,450)	330,359
Office equipment	185,859	9,288	-	195,147
Microfilm equipment	<u>45,234</u>	<u>5,249</u>	-	<u>50,483</u>
Total	<u>528,756</u>	<u>54,683</u>	<u>(7,450)</u>	<u>575,989</u>
Net capital assets	<u>\$ 166,608</u>	<u>\$ 68,269</u>	<u>\$ -</u>	<u>\$ 234,877</u>

Depreciation expense of \$54,683 was charged to the general government function.

Included in the above balances at June 30, 2008 are assets acquired through capital leases.

Capital leases included in the capital asset listing:

Computer equipment	\$ 331,845
Office equipment	27,808
Microfilm equipment	<u>66,647</u>
	<u>\$ 426,300</u>

NOTE 4 PENSION PLAN

Plan Description – The Vermilion Parish Clerk of Court contributes to the Clerk of Court Retirement and Relief Fund (Retirement System), a cost-sharing multiple employer defined benefit pension plan administered by the Clerk of Court Retirement and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:1501 – 1540 to provide retirement, disability and survivor benefits to members throughout the State of Louisiana. The Clerk of Court Retirement and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

VERMILIN PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 4 PENSION PLAN (Continued)

Funding Policy – Vermilion Parish Clerk of Court contributes at an actuarially determined rate. The current contribution rate is 11.75% (employer portion) and 8.25% (employee portion) of annual covered payroll. The contribution requirements of plan members and the Vermilion Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The Vermilion Parish Clerk of Court's contributions to the Retirement System for the years ended June 30, 2008, 2007, and 2006 were \$185,327, \$136,188, and \$120,149, respectively. For the year ended June 30, 2008 the Vermilion Parish Clerk of Court has elected to fund both the employer and employee portions of retirement contributions.

NOTE 5 DEFERRED COMPENSATION PLAN

Certain employees of Vermilion Parish Clerk of Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE 6 CHANGES IN AGENCY FUND BALANCES

	Advanced Deposit Fund	Registry of Court Fund	Non- Support Fund
Balance, beginning of year	\$ 536,593	\$ 684,352	\$ 8,680
Additions	1,193,625	504,565	40,623
Reductions	(1,115,444)	(386,752)	(36,081)
Balance, end of year	\$ 614,774	\$ 802,165	\$ 13,222

NOTE 7 POST RETIREMENT BENEFITS

The Vermilion Parish Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and the Clerk of Court. The Clerk of Court recognizes the cost of providing these benefits (the Clerk's portion of the premiums) as expenditures when the monthly premiums are due.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 8 CAPITAL LEASE PAYABLE

The Clerk records items under capital leases as an asset and an obligation in the accompanying financial statements. Assets under capital leases totaled \$426,300 at June 30, 2008, as detailed in Note 3. At June 30, 2008 the Clerk of Court had three obligations under capital leases payable through December 2008, December 2010 and December 2011, respectively, with implied interest rates of 6.15%, 9.00% and 9.00 % per annum, respectively, and monthly payments of \$201, \$3,746 and \$1,248, respectively. Interest expense totaled \$13,003 for the year ended June 30, 2008. Following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2008.

<u>Year Ending June 30,</u>	
2009	\$ 61,134
2010	59,928
2011	37,452
2012	<u>7,488</u>
Total minimum payments required	166,002
Less: Amount representing interest	<u>(19,734)</u>
Present value of net minimum lease payments	<u>\$ 146,268</u>

NOTE 9 OPERATING LEASE

The Clerk is obligated under a certain lease accounted for as an operating lease. Operating leases do not give rise to property rights, and the results of the lease agreements are not reflected in the Clerk's account groups.

Future minimum rental payments required under the operating lease are as follows:

<u>Year Ending June 30,</u>	
2009	\$ 8,664
2010	<u>7,942</u>
	<u>\$ 16,606</u>

NOTE 10 EXPENDITURES PAID BY THE VERMILION PARISH POLICE JURY

Certain operating expenditures of the Clerk's office are paid by the Vermilion Parish Police Jury and are included in the accompanying financial statements. These expenditures are summarized as follows:

Equipment maintenance	<u>\$ 10,720</u>
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VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 11 RISK MANAGEMENT

The Clerk is exposed to risks of loss in the areas of auto liability, professional liability, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

NOTE 12 COMPLIANCE WITH LAWS AFFECTING LOUISIANA GOVERNMENTS

The State of Louisiana's dual office holding prohibition states that at no time shall a person holding an elective office be at the same time holding another elective office, or full-time appointive office. Chief Deputy Clerk Carlton Campbell was notified by judgment of the 15th Judicial District Court of the State of Louisiana that he could not serve in both capacities as Councilman for District D of the City of Abbeville and as Chief Deputy Clerk of the Vermilion Parish Clerk of Court. Accordingly, Mr. Campbell has resigned as City Councilman as of May 16, 2008.

REQUIRED SUPPLEMENTARY INFORMATION

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2008

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 56,000	\$ 35,800	\$ 33,926	\$ (1,874)
Fees, charges and commissions -				
Court costs, fees and charges	397,200	367,050	360,188	(6,862)
Fees for recording legal documents	1,526,850	1,542,900	1,523,013	(19,887)
Fees for certified copies	45,000	41,000	42,155	1,155
Intergovernmental	50,000	78,600	84,597	5,997
Miscellaneous	27,050	32,558	32,396	(162)
Total revenues	<u>2,102,100</u>	<u>2,097,908</u>	<u>2,076,275</u>	<u>(21,633)</u>
Expenditures:				
Current -				
General government -				
Salaries	909,100	971,900	984,985	(13,085)
Employee benefits	495,800	448,950	515,371	(66,421)
Insurance	16,725	15,925	15,205	720
Operation and maintenance	244,800	221,500	227,109	(5,609)
Advertising	1,150	215	1,207	(992)
Vehicle	18,000	15,200	17,157	(1,957)
Professional services	127,000	121,500	105,284	16,216
Miscellaneous	47,650	63,897	67,546	(3,649)
Police jury expenditures	20,000	20,000	10,720	9,280
Capital outlay	10,000	103,200	122,952	(19,752)
Debt service -				
Principal	36,500	41,000	41,842	(842)
Interest	10,875	13,000	13,003	(3)
Total expenditures	<u>1,937,600</u>	<u>2,036,287</u>	<u>2,122,381</u>	<u>(86,094)</u>
Excess (deficiency) of revenues over expenditures	<u>164,500</u>	<u>61,621</u>	<u>(46,106)</u>	<u>(107,727)</u>
Other financing sources:				
Proceeds from capital lease	-	50,135	50,135	-
Excess of revenues and other financial sources over expenditures	164,500	111,756	4,029	(107,727)
Fund balance, beginning of year	<u>779,291</u>	<u>779,291</u>	<u>779,291</u>	<u>-</u>
Fund balance, end of year	<u>\$ 943,791</u>	<u>\$ 891,047</u>	<u>\$ 783,320</u>	<u>\$ (107,727)</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Revenues and Other Financing Sources
Year Ended June 30, 2008

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 6,000	\$ 6,000	\$ 6,047	\$ 47
Passports	<u>50,000</u>	<u>29,800</u>	<u>27,879</u>	<u>(1,921)</u>
Total licenses and permits	<u>56,000</u>	<u>35,800</u>	<u>33,926</u>	<u>(1,874)</u>
Fees, charges and commissions:				
Court costs, fees, and charges -				
Criminal costs	32,000	37,800	38,657	857
Court attendance reporting	8,500	9,250	9,140	(110)
Fax fees	7,000	5,500	5,501	1
Copy card fees	280,000	235,000	230,327	(4,673)
Jury summons fees	50,000	56,500	53,170	(3,330)
Notarial fees	300	300	325	25
Other	4,400	14,100	14,281	181
Stamp copies	<u>15,000</u>	<u>8,600</u>	<u>8,787</u>	<u>187</u>
Total court costs, fees and charges	<u>397,200</u>	<u>367,050</u>	<u>360,188</u>	<u>(6,862)</u>
Fees for recording legal documents:				
Recordings	900,000	815,000	804,460	(10,540)
Cancellations	1,500	1,000	1,130	130
Mortgage certificates	75,000	51,000	50,552	(448)
Suits and successions	<u>550,350</u>	<u>675,900</u>	<u>666,871</u>	<u>(9,029)</u>
Total fees for recording legal documents	<u>1,526,850</u>	<u>1,542,900</u>	<u>1,523,013</u>	<u>(19,887)</u>
Fees for certified copies	<u>45,000</u>	<u>41,000</u>	<u>42,155</u>	<u>1,155</u>
Intergovernmental:				
Appropriation from Police Jury	20,000	20,000	22,000	2,000
Grant from State Government	-	30,000	30,000	-
Federal grant - non-support	<u>30,000</u>	<u>28,600</u>	<u>32,597</u>	<u>3,997</u>
Total intergovernmental	<u>50,000</u>	<u>78,600</u>	<u>84,597</u>	<u>5,997</u>
Miscellaneous:				
Interest earned	7,500	9,900	9,827	(73)
Clerks supplement	18,000	19,600	19,600	-
Other	<u>1,550</u>	<u>3,058</u>	<u>2,969</u>	<u>(89)</u>
Total miscellaneous	<u>27,050</u>	<u>32,558</u>	<u>32,396</u>	<u>(162)</u>
Other financing sources:				
Proceeds from capital lease	-	50,135	50,135	-
Total revenues and other financing sources	<u>\$2,102,100</u>	<u>\$2,148,043</u>	<u>\$2,126,410</u>	<u>\$ (21,633)</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Expenditures
Year Ended June 30, 2008

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Expenditures:				
Salaries -				
Clerk	\$ 104,100	\$ 152,400	\$ 157,575	\$ (5,175)
Deputies	750,000	766,000	775,874	(9,874)
Others	55,000	53,500	51,536	1,964
Total salaries	<u>909,100</u>	<u>971,900</u>	<u>984,985</u>	<u>(13,085)</u>
Employee benefits -				
Pension fund	161,000	181,000	185,327	(4,327)
Uniforms & related items	10,000	13,000	12,598	402
Payroll taxes	10,800	12,900	13,645	(745)
Deferred compensation	34,000	28,800	27,800	1,000
Hospitalization insurance	280,000	213,250	276,001	(62,751)
Total employee benefits	<u>495,800</u>	<u>448,950</u>	<u>515,371</u>	<u>(66,421)</u>
Insurance -				
Deputy liability	325	325	315	10
Errors and omissions	12,000	11,600	11,550	50
Fire and casualty	600	500	476	24
Workers' compensation	3,800	3,500	2,864	636
Total insurance	<u>16,725</u>	<u>15,925</u>	<u>15,205</u>	<u>720</u>
Operation and maintenance -				
Office:				
Supplies	65,000	60,000	68,237	(8,237)
Printing	8,000	9,000	9,113	(113)
Postage/box rental	25,000	25,000	25,559	(559)
Maintenance	10,000	8,700	8,647	53
Book binding	30,000	22,500	18,935	3,565
Rental - microfilm storage	2,000	2,000	967	1,033
Telephone/fax	12,000	12,000	12,965	(965)
Equipment maintenance	25,000	15,500	21,943	(6,443)
Equipment rental	30,000	22,000	21,663	337
Software maintenance	27,000	28,000	20,940	7,060
Supplies - computer	10,000	16,000	17,492	(1,492)
Shipping	800	800	648	152
Total operation and maintenance	<u>244,800</u>	<u>221,500</u>	<u>227,109</u>	<u>(5,609)</u>

(continued)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)
Year Ended June 30, 2008

	Budget		Actual Amounts	Final Budget Positive or (Negative)
	Original	Final		
Advertising -				
General	150	15	-	15
Public notice	<u>1,000</u>	<u>200</u>	<u>1,207</u>	<u>(1,007)</u>
Total advertising	<u>1,150</u>	<u>215</u>	<u>1,207</u>	<u>(992)</u>
Automobile -				
Rental	12,000	9,200	9,907	(707)
Operation and maintenance	4,000	4,000	5,255	(1,255)
Insurance	<u>2,000</u>	<u>2,000</u>	<u>1,995</u>	<u>5</u>
Total automobile	<u>18,000</u>	<u>15,200</u>	<u>17,157</u>	<u>(1,957)</u>
Professional services -				
Accounting	20,000	16,500	16,600	(100)
Legal	10,000	15,000	13,928	1,072
Programming	2,000	-	-	-
Scanning	<u>95,000</u>	<u>90,000</u>	<u>74,756</u>	<u>15,244</u>
Total professional services	<u>127,000</u>	<u>121,500</u>	<u>105,284</u>	<u>16,216</u>
Miscellaneous -				
Dues and subscriptions	2,150	2,150	2,042	108
Clerk's supplemental compensation	20,000	19,300	22,063	(2,763)
Election costs	-	9,650	9,693	(43)
Travel and conventions	21,000	32,000	33,418	(1,418)
Other	<u>4,500</u>	<u>797</u>	<u>330</u>	<u>467</u>
Total miscellaneous	<u>47,650</u>	<u>63,897</u>	<u>67,546</u>	<u>(3,649)</u>
Police jury expenditures -				
Equipment maintenance	<u>20,000</u>	<u>20,000</u>	<u>10,720</u>	<u>9,280</u>
Total police jury expenditures	<u>20,000</u>	<u>20,000</u>	<u>10,720</u>	<u>9,280</u>

(continued).

VERMILION PARISH CLERK OF COURT
 Abbeville, Louisiana
 General Fund

Budgetary Comparison Schedule – Expenditures (Continued)
 Year Ended June 30, 2008

	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Capital outlay -				
Computer equipment	-	70,000	93,415	(23,415)
Microfilm Equipment	-	20,200	20,140	60
Office equipment	<u>10,000</u>	<u>13,000</u>	<u>9,397</u>	<u>3,603</u>
Total capital outlay	<u>10,000</u>	<u>103,200</u>	<u>122,952</u>	<u>(19,752)</u>
Debt service -				
Principal - capital lease	36,500	41,000	41,842	(842)
Interest - capital lease	<u>10,875</u>	<u>13,000</u>	<u>13,003</u>	<u>(3)</u>
Total debt service	<u>47,375</u>	<u>54,000</u>	<u>54,845</u>	<u>(845)</u>
Total expenditures	<u>\$1,937,600</u>	<u>\$2,036,287</u>	<u>\$2,122,381</u>	<u>\$ (86,094)</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
Agency Funds

Combining Statement of Assets and Liabilities
June 30, 2008

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Non- Support</u>	<u>Total</u>
ASSETS				
Cash	<u>\$614,774</u>	<u>\$ 802,165</u>	<u>\$ 13,222</u>	<u>\$1,430,161</u>
LIABILITIES				
Due to litigants and others	<u>\$614,774</u>	<u>\$ 802,165</u>	<u>\$ 13,222</u>	<u>\$1,430,161</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2008

	Advance Deposit	Registry of Court	Non- Support	Total
ASSETS				
Balances, beginning of year	\$ 536,593	\$ 684,352	\$ 8,680	\$1,229,625
Additions:				
Deposits in civil suits	1,183,605	-	-	1,183,605
Security bond deposits	10,020	-	-	10,020
Deposits by order of the court	-	493,245	-	493,245
Interest earnings	-	11,320	-	11,320
Deposits in non-support suits	-	-	40,623	40,623
Total additions	1,193,625	504,565	40,623	1,738,813
Total	1,730,218	1,188,917	49,303	2,968,438
Reductions:				
Payments by order of the court	-	385,999	-	385,999
Refund of deposits	187,455	-	-	187,455
Clerk's fees transferred to general fund	665,986	753	32,597	699,336
Sheriff's fees - local	56,100	-	2,415	58,515
Sheriff's fees - other parishes	49,883	-	1,069	50,952
Commissioner of insurance - report fee	295	-	-	295
Attorney fees	6,957	-	-	6,957
Battered women's fees	2,350	-	-	2,350
Curator fees	1,562	-	-	1,562
Secretary of state fees	4,330	-	-	4,330
Court of appeal fees	1,950	-	-	1,950
Law library fees	6,224	-	-	6,224
Judges support compensation fees	29,126	-	-	29,126
Judicial costs	21,555	-	-	21,555
Payments to police jury	81,671	-	-	81,671
Total reductions	1,115,444	386,752	36,081	1,538,277
Balances, end of year	\$ 614,774	\$ 802,165	\$ 13,222	\$1,430,161
LIABILITIES				
Due to litigants and others, beginning of year	\$ 536,593	\$ 684,352	\$ 8,680	\$1,229,625
Additions	1,193,625	504,565	40,623	1,738,813
Reductions	1,115,444	386,752	36,081	1,538,277
Due to litigants and others, end of year	\$ 614,774	\$ 802,165	\$ 13,222	\$1,430,161

**COMPLIANCE
AND
INTERNAL CONTROL**



**Darnall, Sikes,
Gardes & Frederick.**

(A Corporation of Certified Public Accountants)

**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***

The Honorable Diane Meaux Broussard
Vermilion Parish Clerk of Court
Abbeville, Louisiana

We have audited the financial statements of the governmental activities, and major fund of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, as of and for the year ended June 30, 2008, which collectively comprise the Vermilion Parish Clerk of Court's basic financial statements and have issued our report thereon dated October 31, 2008. 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 Vermilion Parish Clerk of Court's 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 Vermilion Parish Clerk of Court's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Vermilion Parish Clerk of Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Vermilion Parish Clerk of Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Vermilion Council Clerk of Court's financial statements that is more than inconsequential will not be prevented or detected by the Vermilion Parish Clerk of Court's internal control. We considered the

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vermilion 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 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 or other matters that are required to be reported under *Government Auditing Standard*.

The Vermilion Parish Clerk of Court's response to the finding identified in our audit is described in the accompanying management's corrective action plan. We did not audit the Vermilion Parish Clerk of Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
October 31, 2008

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on Vermilion Parish Clerk of Court financial statements as of and for the year ended June 30, 2008.

Reportable Condition – Financial Reporting

A reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is reported as 08-1 in Part II.

Material Noncompliance – Financial Reporting

No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2008.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

08-1 Inadequate Segregation of Accounting Functions

Finding: Due to the small number of accounting personnel, the Vermilion Parish Clerk of Court did not have adequate segregation of accounting functions within the accounting system.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2008, the Vermilion Parish Clerk of Court did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2008

07-1 Inadequate Segregation of Accounting Functions

Finding: Due to the small number of accounting personnel, the Vermilion Parish Clerk of Court did not have adequate segregation of accounting functions within the accounting system.

Status: This finding is unresolved. See finding 08-1.

07-2 Unsecured Deposits

Finding: Louisiana Revised Statute 39:1225 requires that funds on deposit be secured by federal deposit insurance or the pledge of securities. As of June 30, 2007, the Vermilion Parish Clerk of Court had certain funds on deposit at local financial institutions which exceeded FDIC insurance but were not fully secured by pledged securities.

Status: This finding is resolved.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Management's Corrective Action Plan
Year Ended June 30, 2008

Response to Finding 08-1:

The Vermilion Parish Clerk of Court will segregate accounting functions to the extent possible.