

CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

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

Release Date 1/27/10

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Table of Contents
June 30, 2009**

	Page
Independent Auditor’s Report	i-2
Required Supplemental Information – Part I:	
Management’s Discussion and Analysis.....	3-10
Basic Financial Statements:	
Government Wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Fund.....	13
Reconciliation of Fund Balance on the Balance Sheet for Governmental Fund to Net Assets of Governmental Activities on the Statement of Net Assets.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Fund to the Statement of Activities ..	16
Statement of Fiduciary Net Assets.....	17
Notes to the Financial Statements	18 - 30
Required Supplemental Information – Part II:	
Budgetary Comparison Schedule	31
Notes to Required Supplementary Information.....	32
Other Supplemental Information:	
Schedule of Changes in Fiduciary Unsettled Deposits.....	33
Other Reports Required by <i>Government Auditing Standards</i> and the Louisiana Governmental Audit Guide	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	34-35
Schedule of Findings	36
Summary Schedule of Audit Findings.....	37-38
Summary Schedule of Prior Year Audit Findings.....	39
Management’s Corrective Action Plan.....	40

WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

The Honorable Gary Loftin
Caddo Parish Clerk of Court
Shreveport, Louisiana

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Caddo Parish Clerk of Court (Clerk of Court), Shreveport, Louisiana, a component unit of the Caddo Parish Commission, as of and for the year ended June 30, 2009, 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 Caddo Parish Clerk of Court's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Caddo Parish Clerk of Court, as of June 30, 2009, and the respective changes in financial position for year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 21, 2009, on my consideration of the Caddo Parish Clerk of Court's internal control over financial reporting and on my 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 my 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 important for assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 31 through 32, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I 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, I did not audit the information and express no opinion on it.

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My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caddo Parish Clerk of Court's basic financial statements. The accompanying financial information listed as "Other Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Caddo Parish Clerk of Court, Shreveport, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

William E. Weatherford, CPA, LLC

William E. Weatherford, CPA, LLC
Certified Public Accountant
Shreveport, Louisiana
December 21, 2009

REQUIRED SUPPLEMENTAL INFORMATION- PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

GARY LOFTIN CLERK OF COURT

Mike Spence
Chief Deputy

Caddo Parish Courthouse
501 Texas Street, Room 103
Shreveport, LA 71101-5408



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As management of the Caddo Parish Clerk of Court, Shreveport, Louisiana, (hereafter referred to as the Clerk of Court) we offer the readers of the Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Clerk of Court as of and for the year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the Clerk of Court's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

At June 30, 2009, the assets of the Clerk of Court exceeded liabilities by \$6,158,308 (net assets), an increase of \$1,547,091 (33.55%) compared to the prior year's ending net assets of \$4,611,217.

Ending net assets of \$5,477,728 (88.95%) are reported as "unrestricted net assets" and represent the amount available to be used to meet ongoing obligations to the citizens of Caddo Parish at the discretion of the Clerk of Court.

As provided by Act 374, effective July 1, 2008, the Caddo Parish Clerk of Court began to serve as the ex officio clerk of court for the Juvenile Court of Caddo Parish; to provide for the salaries, benefits, retirement, travel and training for the operation of the clerk of court for the Juvenile Court of Caddo Parish; and to provide for related matters.

During the year ended June 30, 2009, the Caddo Parish Clerk of Court received \$309,631 from the Caddo Parish Commission to assist in the transition of the operation of the Juvenile Court of Caddo Parish to the Caddo Parrish Clerk of Court and \$136,180 to upgrade the computer hardware and software at the Juvenile Court of Caddo Parish.

At the close of the fiscal year, the Clerk of Court's governmental fund reported an ending fund balance of \$5,472,305, an increase of \$1,480,537 (37.09%) compared to the prior year's ending fund balance of \$3,991,768. In 2009, revenue reported in the governmental fund increased \$1,489,778 (22.83%) compared to the prior year primarily due to an increase in intergovernmental revenues from the Caddo Parish Commission totaling \$455,811, an increase in recording fees of \$601,305, an increase in fees charged for copies provided over the internet of \$246,518, an increase in election revenues of \$91,345 and an increase in remote access fees of \$63,120. Reported expenditures during 2009 increased \$311,600 (5.01%) primarily due to increases in deputy salaries and group health insurance costs. These increased expenditures were partially offset by a decrease in miscellaneous equipment purchases and capital outlay expenditures.

"Where The Public Comes First"

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Clerk of Court's basic financial statements. The Clerk of Court's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information in addition to the basic financial statements. These components are described below:

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the Clerk of Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Clerk of Court's financial position, which assists users in assessing the Clerk of Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets of the Clerk of Court as well as all liabilities. The government-wide financial statements include two statements:

- **The statement of net assets** presents all of the Clerk of Court's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the Clerk of Court's net assets may serve as a useful indicator of whether the financial position of the Clerk of Court is improving or deteriorating.
- **The statement of activities** presents information showing how the Clerk of Court's net assets changed during the most recent year using the full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

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

The funds of the Clerk of Court can be divided into two categories; governmental funds and fiduciary funds.

- **Governmental funds.** The services provided by the Clerk of Court are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Clerk of Court's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of

accounting. These statements provide a detailed short-term view of the Clerk of Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Clerk of Court.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Clerk of Court's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Clerk of Court has one governmental fund; the General Fund (Salary Fund) which is classified as a major fund.

The governmental funds financial statements can be found immediately following the government-wide financial statements.

- *Fiduciary funds.* Fiduciary funds, which consist solely of agency funds, are used to account for resources held for the benefit of parties outside of the government. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Clerk of Court's fiduciary activities are reported in a separate statement of fiduciary net assets and a schedule of changes in fiduciary unsettled deposits. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the Clerk of Court's own programs. The fiduciary funds use the accrual basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the government funds financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balance for budgetary purposes and the fund balance of the General Fund as presented in the governmental fund financial statements. Following the required supplementary information is other supplementary information that is provided to show additional details.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Assets

Net assets may serve over time as a useful indicator of the Clerk of Court's financial position. The Clerk of Court's assets exceeded liabilities by \$6,158,308 and \$4,611,217 as of June 30, 2009 and 2008 respectively.

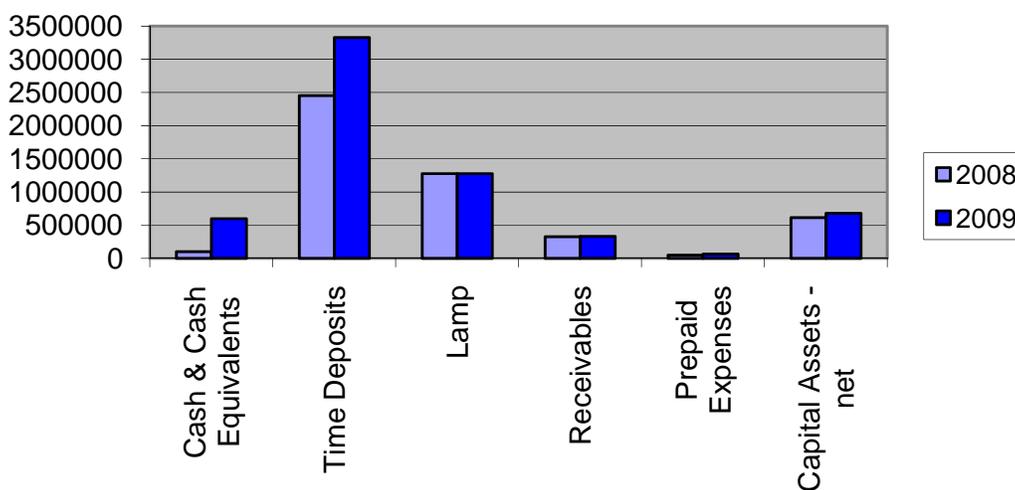
The Clerk of Court continues to maintain a high level of liquidity with \$3,921,186 (63.67%) of the Clerk of Court's net assets invested in demand deposits and certificates of deposit with various financial institutions as of June 30, 2009 compared to \$2,552,858 (55.36%) of net assets in the prior period. The Clerk of Court also has deposits with the Louisiana Asset Management Pool, Inc. totaling \$1,275,000

(20.70%) of net assets at June 30, 2009 compared to similar deposits of \$1,275,000 (27.65%) of net assets as of June 30, 2008. All certificates of deposit have maturities of one year or less when purchased and deposits with the Louisiana Asset Management Pool, Inc. may be withdrawn at any time without penalty. The Clerk of Court had combined cash, cash equivalents, and investments of \$5,197,486 (84.40%) of net assets and \$3,829,158 (83.04%) of net assets at June 30, 2009 and 2008, respectively.

At June 30, 2009, \$680,580 (11.05%) of the of the Clerk of Court’s net assets reflects capital assets with a historical cost of \$2,049,373 and accumulated depreciation of \$1,368,793 compared to \$615,553 (13.35%) of net assets with a historical cost of \$1,790,281 and accumulated depreciation of \$1,174,728 for the prior year.

The largest portion of the Clerk’s net assets, \$5,477,728 (88.95%) as of June 30, 2009 and \$3,995,664 (86.65%) as of June 30, 2008, is unrestricted and may be used to meet the Clerk’s ongoing obligations to the citizens of Caddo Parish.

Assets of Governmental Activities



Caddo Parish Clerk of Court's Net Assets

	2009	2008
Assets:		
Current assets	\$ 995,755	\$ 477,657
Investments	4,600,000	3,725,000
Capital assets, net of accumulated depreciation	680,580	615,553
Total assets	6,276,335	4,818,210
Current liabilities	118,027	206,993
Net Assets:		
Invested in capital assets, net of related debt	680,580	615,553
Unrestricted	5,477,728	3,995,664
Total net assets	\$ 6,158,308	\$ 4,611,217

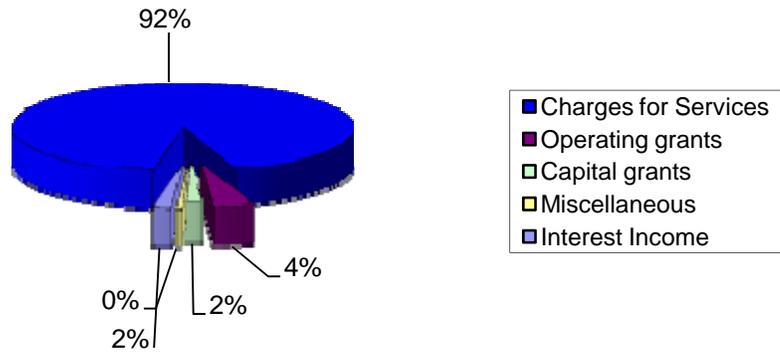
Changes in Net Assets

The Clerk of Court's net assets increased by \$1,547,091 or 33.55% during the year ended June 30, 2009 compared to an increase of \$364,100 or 8.57% during the prior year. Approximately 92.15% (\$7,388,429) of the Clerk of Court's total revenues were derived through charges for services in 2009 compared to 94.51% (\$6,168,950) in 2008. Revenues for recordings increased \$601,305 (25.69%), fees for remote access increased \$63,120 (31.79%), charges for internet copies increased \$246,518 (137.28%), and election revenues increased \$91,345 (141.25%). Expenses incurred by the Clerk of Court are primarily for the provision of legal recordings for the citizens of the First Judicial District, Caddo Parish, Louisiana. Approximately 76.34% (\$4,939,630) of the Clerk of Court's expenses are for salaries and related payroll taxes and employee benefits during the year ended June 30, 2009 compared to 71.93% (\$4,433,360) during the prior year. In 2009, program revenues exceeded governmental activity expenses by \$1,363,404, resulting in an increase in unrestricted net assets.

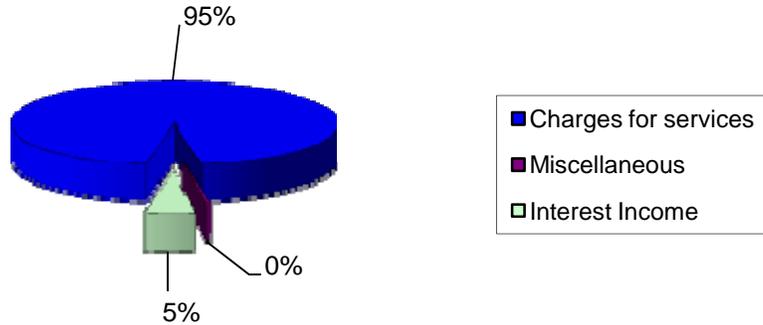
Caddo Parish Clerk of Court's Changes in Net Assets Governmental Activities

	<u>2009</u>	<u>2008</u>
Revenues:		
Program revenues:		
Charges for services	\$ 7,388,429	\$6,168,950
Operating grants and contributions	309,631	-
Capital grants and contributions	136,180	-
General revenues:		
Interest	140,023	328,422
Miscellaneous	43,664	30,007
Total revenues	<u>8,017,927</u>	<u>6,527,379</u>
Expenses:		
Judiciary	<u>6,470,836</u>	<u>6,163,279</u>
Increase in net assets	1,547,091	364,100
Net assets, beginning of year	<u>4,611,217</u>	<u>4,247,117</u>
Net assets, end of year	<u><u>\$ 6,158,308</u></u>	<u><u>\$4,611,217</u></u>

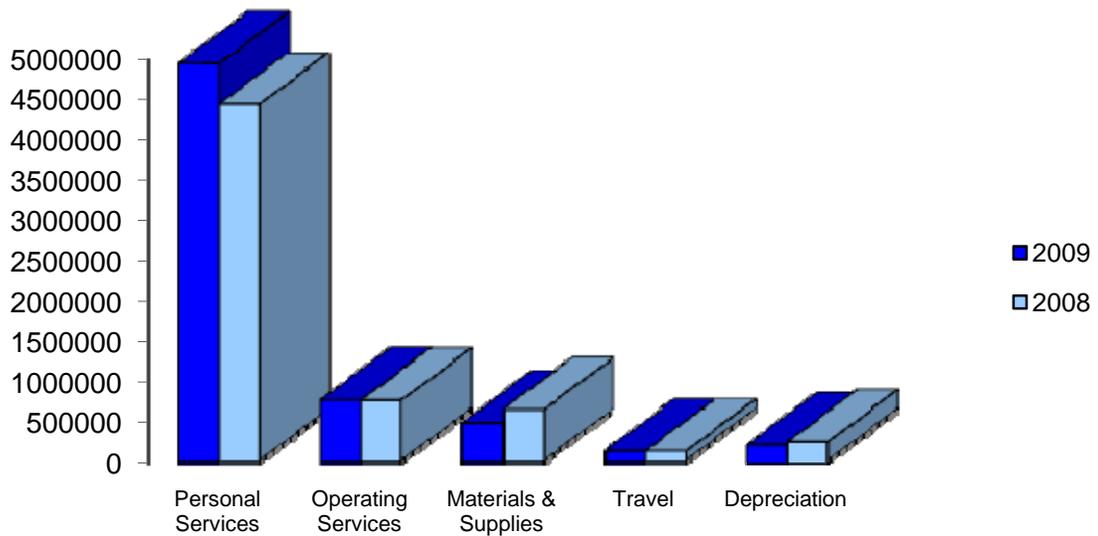
Total 2009 Revenues of Governmental Activities



Total 2008 Revenues of Governmental Activities



Total Expenses of Governmental Activities



FINANCIAL ANALYSIS OF THE CLERK'S INDIVIDUAL FUNDS

As noted earlier, the Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Clerk of Court's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Clerk of Court's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Clerk of Court's net resources available for spending at the end of the year. As of the end of the year, the Clerk of Court's governmental fund (general fund) reported an ending fund balance of \$5,472,305 an increase of \$1,480,537 (37.09%) compared to the prior year. A total of \$5,407,694 (98.82%) of the ending fund balance is unreserved and is available for spending in the coming year while \$64,611 (1.18%) is reserved and represents amounts expended for prepaid items.

The general fund is the operating fund of the Clerk of Court. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved general fund balance as of June 30, 2009 (\$5,407,694) represents 82.74% of the total general fund expenditures (\$6,535,863) for the year ended June 30, 2009.

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Clerk of Court complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The Clerk of Court's budget was amended on June 15, 2009 because the amounts actually paid for deputies' salaries, health insurance, professional services, office supplies, and capital outlays were significantly more than anticipated in the original budget. Expenditures were \$822,055 more than the amount originally budgeted.

The actual expenditures were \$129,796 less than the final budgeted amounts.

Revenues available for expenditure were \$38,588 above the final budgeted amounts.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2009, totaled \$2,049,373, net of accumulated depreciation of \$1,368,793, leaving a book value of \$680,580. This investment in capital assets consists of improvements to the office building, office equipment and furniture and fixtures.

In terms of historical cost, the Clerk of Court's investment in capital assets increased \$259,092, about 14.47%, during 2009. Actual costs to construct and purchase capital assets were \$259,092 in 2009 compared to \$291,687 in 2008.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budget for the fiscal year ended June 30, 2010 was prepared:

- The Clerk of Court expects the volume of legal document recordings to decrease about 15%.
- Other revenues are expected to remain consistent with the prior year.
- The Clerk expects to continue capital expenditures in computer technology to increase the efficiency and effectiveness of the office and to equip the juvenile court.
- Other expenditures are expected to remain consistent with the prior year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Caddo Parish Clerk of Court, Shreveport, Louisiana, and seeks to demonstrate the Clerk of Court's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Honorable Gary Loftin, Clerk of Court for Caddo Parish, 501 Texas Street, Room 103, Shreveport, Louisiana, 71101-5408, or by calling (318) 226-6775.

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Statement of Net Assets
June 30, 2009**

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 597,486
Investments	4,600,000
Receivables	333,658
Prepaid expenses	64,611
Capital assets, net of accumulated depreciation	<u>680,580</u>
Total Assets	<u><u>6,276,335</u></u>
Liabilities	
Accounts payable	30,934
Payroll deductions payable	2,587
Compensated absences payable	<u>84,506</u>
Total Liabilities	<u><u>118,027</u></u>
Net Assets	
Invested in capital assets, net of related debt	680,580
Unrestricted	<u>5,477,728</u>
Total Net Assets	<u><u>\$ 6,158,308</u></u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Statement of Activities
For the Year Ended June 30, 2009**

	<u>Governmental Activities</u>
Expenses:	
Judiciary:	
Personal services and related benefits	\$ 4,939,630
Operating services	752,596
Materials and supplies	471,281
Travel and other charges	113,264
Depreciation	194,065
Total Expenses	<u>6,470,836</u>
 Program Revenues:	
Charges for services:	
Court costs, fees and charges	4,108,816
Fees for recording legal documents	2,942,591
Fees for certified copies of documents	274,832
Licenses and permits	62,190
Total charges for services	<u>7,388,429</u>
Operating grants and contributions	309,631
Capital grants and contributions	136,180
Total Program Revenues	<u>7,834,240</u>
 Net Program Revenues	 <u>1,363,404</u>
 General Revenues:	
Miscellaneous	43,664
Use of money and property - interest income	140,023
Total General Revenues	<u>183,687</u>
 Change in Net Assets	 1,547,091
Net Assets at Beginning of Year	<u>4,611,217</u>
Net Assets at End of Year	<u><u>\$ 6,158,308</u></u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

FUND FINANCIAL STATEMENTS

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Balance Sheet – Governmental Fund
June 30, 2009**

	General Fund
Assets	
Cash and cash equivalents	\$ 597,486
Investments	4,600,000
Receivables	328,235
Prepaid expenditures	64,611
Total Assets	<u><u>\$5,590,332</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 30,934
Payroll deductions payable	2,587
Compensated absences payable	84,506
Total liabilities	<u>118,027</u>
Fund Balance:	
Reserved for prepaid expenditures	64,611
Unreserved, undesignated	5,407,694
Total fund balance	<u>5,472,305</u>
Total Liabilities and Fund Balance	<u><u>\$5,590,332</u></u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Reconciliation of Fund Balance on the Balance Sheet for Governmental Fund
To Net Assets of Governmental Activities on the Statement of Net Assets
June 30, 2009**

Fund Balance - Governmental Fund	\$5,472,305
Amounts reported for governmental activities in the statement of net assets are different because:	
In the governmental fund, interest income on time deposits is recognized when the time deposits have matured and the income is available. In the government-wide statements, interest income is recognized as it is earned.	
Add- accrued interest	5,423
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Add - capital assets	\$2,049,373
Deduct - accumulated depreciation	<u>(1,368,793)</u>
	<u>680,580</u>
Net Assets of Governmental Activities	<u><u>\$6,158,308</u></u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2009**

	General Fund
Revenues	
Licenses and permits	\$ 62,190
Fees, charges, and commissions for services:	
Court costs, fees and charges	4,108,816
Fees for recording legal documents	2,942,591
Fees for certified copies of documents	274,832
Intergovernmental:	
Caddo Parish Commission	445,811
Miscellaneous	43,664
Use of money and property - interest income	138,496
Total Revenues	8,016,400
Expenditures	
Judiciary:	
Current:	
Personal services and related benefits	4,939,630
Operating services	752,596
Materials and supplies	471,281
Travel and other charges	113,264
Capital outlay	259,092
Total Expenditures	6,535,863
Net Change in Fund Balance	1,480,537
Fund Balance at Beginning of Year	3,991,768
Fund Balance at End of Year	\$ 5,472,305

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2009**

Net Change in Fund Balance- Governmental Fund	\$ 1,480,537
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report interest income on time deposits when the time deposits have matured and the income is available. However, in the statement of activities the amount of the accrued interest is reported as revenue.

Accrued interest on time deposits - current year	\$ 5,423	
Accrued interest on time deposits - prior year	<u>(3,896)</u>	
		1,527

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.

Capital outlays	259,092	
Depreciation expense	<u>(194,065)</u>	
		<u>65,027</u>

Change in Net Assets of Governmental Activities	<u><u>\$ 1,547,091</u></u>
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**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Statement of Fiduciary Net Assets
June 30, 2009**

	Jury Cost Fund	Advance Deposit Fund	Registry of Court Fund	Court Reporter Fund	Total
Assets					
Cash and cash equivalents	\$ 60,840	\$ 150,772	\$3,023,994	\$ 97,640	\$ 3,333,247
Investments	1,118,000	2,950,000	37,500	87,762	4,193,261
Total Assets	<u>\$1,178,840</u>	<u>\$3,100,772</u>	<u>\$3,061,494</u>	<u>\$ 185,402</u>	<u>\$7,526,508</u>
Liabilities					
Unsettled deposits	\$1,178,840	\$3,100,772	\$3,061,494	\$ 185,402	7,526,508
Total Liabilities	<u>\$1,178,840</u>	<u>\$3,100,772</u>	<u>\$3,061,494</u>	<u>\$ 185,402</u>	<u>\$7,526,508</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Caddo Parish Clerk of Court 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.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, *Audits of State and Local Governments*.

B. REPORTING ENTITY

The Caddo Parish Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Caddo Parish Commission. The Commission maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture of the Clerk of Court's office. Because the Clerk of Court is fiscally dependent on the Commission, the Clerk of Court was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity.

As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes responsibility for the hiring and retention of employees, the annual operating budget and any fund deficits, and the receipt and disbursement of funds.

The accompanying financial statements present information only on the funds and activities controlled by the Caddo Parish Clerk of Court and do not present information on the Caddo Parish Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

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

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

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued):

Governmental Funds

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

General Fund- The General Fund (Salary Fund), as provided by Louisiana Revised Statute (R.S.) 13:781, 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.

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 Civil Jury Cost, Advance Deposit, Registry of Court, and Court Reporter agency funds account for assets held by the Clerk as an agent for litigants pending court action. Agency 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 accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

Fund Financial Statements (FFS)

The amounts reflected in the General Fund 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 the Clerk's operations.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Fund Financial Statements (FFS) (Continued)

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues

Recordings, cancellations, court attendance, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when received by the Clerk of Court.

Based on the above criteria, recordings, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Clerk.

Capital outlays are reported at the time purchased.

The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity; therefore, the Clerk of Court reports the General Fund as a major fund.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – (Continued)

Government-wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the Clerk of Court as a whole. These statements include all the financial activities of the Clerk of Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of the economic resources 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 the Clerk of Court's activities are reported. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. 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 each function of the Clerk of Court'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 for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

Revenues that are not classified as program revenues, including interest, are presented as general revenues.

E. BUDGET PRACTICES

The proposed budget for the June 30, 2009, fiscal year was made available for public inspection at the Clerk's office on June 5, 2008. The proposed budget, prepared on the cash basis of accounting, was published in the official journal ten days before the public hearing. The budget hearing was held at the Clerk's office on June 16, 2008. The budget is legally adopted and amended, as necessary, by the Clerk of Court. The final amended budget was adopted on June 15, 2009. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device during the year. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriations, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

Cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits and other investments with original maturities of 90 days or less when purchased. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

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

I. CAPITAL ASSETS AND DEPRECIATION

Capital assets are reported at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$3,000 or more for capitalizing 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.

Capital assets are reported in the statement of net assets and the 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 are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Lives</u>
Office equipment	5 years
Furniture & fixtures	7 years
Building improvements	7 -20 years

Depreciation of all exhaustible capital assets is reported as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. COMPENSATED ABSENCES

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

Employees of the Clerk of Court's office earn from one to five weeks of annual leave each year, depending on length of service. Annual leave must be used in the year earned. Upon voluntary resignation or retirement, an employee is compensated for annual leave accumulated during the year of resignation or retirement. Authorized time off (ATO) leave (i.e. sick leave) is granted at the discretion of the Clerk of Court. Upon retirement, resignation, or termination of employment, all unused ATO leave shall be forfeited.

The Clerk of Court's recognition and measurement criteria for compensated absences follows GASB Statement No. 16 which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payment at termination or retirement.

K. BAD DEBTS

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

L. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and is displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. EQUITY CLASSIFICATIONS – (Continued)

- c. Unrestricted net assets – Consists of all other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted”.

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.

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund’s fund balance that exceeds one-half of the revenues of the Clerk’s last year of his term of office. The amount owed to the parish treasurer under R.S. 13:785 is limited to no more than the funds provided by the parish treasurer under provisions of R.S. 13:784 (A) to help defray the costs of capital assets and record books during the Clerk of Court’s four year term. At June 30, 2009, there was no amount due to the parish treasurer.

K. USE OF 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents:

At June 30, 2009, the Clerk of Court had cash and cash equivalents (book balances) totaling \$3,930,733 as follows:

	Governmental Fund	Fiduciary Funds	Total
Cash	\$ 1,300	\$ -	\$ 1,300
Demand deposits	596,186	3,333,247	3,929,433
	\$ 597,486	\$ 3,333,247	\$ 3,930,733

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS – (Continued)

Investments:

At June 30, 2009, the Clerk of Court had investments (book balances) totaling \$8,793,261 as follows:

	Governmental Fund	Fiduciary Funds	Total
Time deposits	\$ 3,325,000	\$2,393,261	\$5,718,261
LAMP	1,275,000	1,800,000	3,075,000
	\$ 4,600,000	\$4,193,261	\$8,793,261

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.

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 bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk of Court's name.

The cash equivalents and investments of the Clerk of Court are subject to the following risks:

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year end, the Clerk of Court had collected bank balances of \$10,164,871 which were partially protected by \$1,504,810 of federal depository insurance and the pledge of securities with a market value of \$10,986,676 held by the custodial banks in the name of the Clerk of Court. As of June 30, 2009, the Caddo Parish Clerk of Court has deposits totaling \$1,948,553 that were not protected from custodial credit risk.

Interest Rate Risk. The Clerk of Court's certificates of deposit have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates.

Credit Risk. The Clerk of Court's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Clerk of Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS – (Continued)

Investments held at June 30, 2009 include \$3,075,833 (collected balances) invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool.

The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

3. RECEIVABLES

The governmental activities receivables of \$333,658 at June 30, 2009 are as follows:

Fees, charges and commissions for services:	
Court costs, fees and charges	\$ 34,982
Fees for recording legal documents	158,689
Copies	45,884
Fees for certified copies of documents	20,284
Remote access	27,304
Interest	11,796
Other	34,719
Total	<u>\$ 333,658</u>

Based upon historical collections, the Clerk of Court believes all receivables to be fully collectible and no allowance for doubtful accounts has been established as of June 30, 2009.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2009, is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets being depreciated:					
Office equipment	\$ 753,253	\$ 72,340	\$ -	\$ -	\$ 825,593
Furniture and fixtures	691,021	8,921	-	-	699,942
Office improvements	346,007	177,831	-	-	523,838
Total	<u>1,790,281</u>	<u>259,092</u>	<u>-</u>	<u>-</u>	<u>2,049,373</u>
Less accumulated depreciation:					
Office equipment	(532,428)	(79,997)	-	-	(612,425)
Furniture and fixtures	(479,942)	(82,794)	-	-	(562,736)
Office improvements	(162,358)	(31,274)	-	-	(193,632)
Total	<u>(1,174,728)</u>	<u>(194,065)</u>	<u>-</u>	<u>-</u>	<u>(1,368,793)</u>
Net capital assets	<u>\$ 615,553</u>	<u>\$ 65,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680,580</u>

Depreciation expense of \$194,065 was charged to the judiciary function of the governmental activities.

5. PENSION PLAN

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

5. PENSION PLAN (Continued):

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy: Plan members are required by state statute to contribute 8.25% of their annual covered salary to the plan and the Caddo Parish Clerk of Court is required to contribute to the plan at an actuarially determined rate. The rate for the fiscal year ended June 30, 2009 was 11.75% of the annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Caddo Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caddo Parish Clerk of Court's contributions to the System for the years ending June 30, 2009, 2008 and 2007 were \$333,654, \$303,347, and \$403,381, respectively, equal to the required contributions for each year.

6. OTHER POST EMPLOYMENT BENEFITS

The Caddo Parish Clerk of Court provides certain health care and life benefits for retired employees. Substantially all of the Clerk of Court'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 employee and the Clerk of Court. The Clerk of Court recognizes the cost of providing these benefits as expenditure when the monthly premiums are due. The monthly premiums paid by the Clerk to the insurance companies for healthcare and related coverage during the year ended June 30, 2009, totaled \$799,151. Of this expenditure, \$70,777 was for eighteen retirees.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, establishes standards for the measurement, recognition and display of other post employment benefit expenditures and related liabilities, note disclosures, and if applicable, required supplementary information. Generally, GASB Statement No. 45 requires the Clerk of Court to record the annual required contribution to fully fund the benefits as an expense.

The annual required contribution is defined as the employer's required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal cost for the year and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed thirty years. The amount by which the net obligation for the plan exceeds the amount actually funded by the Clerk of Court will be recognized as a liability.

Under the standards of GASB Statement No. 45, the Caddo Parish Clerk of Court is considered a "Phase 3" government (total annual revenues of less than \$10 million) with the standards becoming effective for periods beginning after December 15, 2008.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

7. COMPENSATED ABSENCES

At June 30, 2009, employees of the Clerk of Court have accumulated and vested \$84,506 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is due and payable within the next year and is recorded as an obligation of the General Fund.

8. OPERATING LEASES

The Caddo Parish Clerk of Court leases office equipment and vehicles under operating leases. Expense incurred through these operating leases during the year ended June 30, 2009, was \$39,529.

The minimum annual commitments under non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	
2009-2010	<u>\$ 2,272</u>

9. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	Jury Cost Fund	Advance Deposit Fund	Registry of Court Fund	Court Reporter Fund	Total
Balance, June 30, 2008	\$ 1,105,701	\$ 3,862,898	\$ 3,742,964	\$ 162,092	\$ 8,873,655
Additions	295,240	4,632,467	2,358,721	321,601	7,608,029
Reductions	(222,101)	(5,394,593)	(3,040,191)	(298,291)	(8,955,176)
Balance, June 30, 2009	<u>\$ 1,178,840</u>	<u>\$ 3,100,772</u>	<u>\$ 3,061,494</u>	<u>\$ 185,402</u>	<u>\$ 7,526,508</u>

10. RISK MANAGEMENT

The Caddo Parish Clerk of Court is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk purchases commercial insurance to provide workers compensation coverage, general liability, error and omission, and property insurance. There were no significant reductions in insurance coverage from the previous year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2009**

11. LITIGATION AND CLAIMS

At June 30, 2009, the Caddo Parish Clerk of Court was involved in litigation concerning several matters which, in the estimation of the legal advisor of the Clerk of Court, an estimate of the ultimate resolution of the suits cannot be made. However, it is of the opinion of legal counsel that an unfavorable outcome is unlikely in the pending lawsuits.

12. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COMMISSION

The Caddo Parish Clerk of Court's office is located in the Caddo Parish Courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715 is paid by the Caddo Parish Commission and are not included in the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION – PART II

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Budgetary Comparison Schedule
Governmental Fund – General Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual Amounts (Budgetary Basis)	
Revenues						
Licenses and permits	\$ 67,850	\$ 61,722	\$ 62,190	\$ -	\$ 62,190	\$ 468
Fees, charges, and commissions for services:						
Court costs, fees and charges	2,984,324	4,064,188	4,108,816	(8,816)	4,100,000	35,812
Fees for recording legal documents	1,946,533	2,929,919	2,942,591	-	2,942,591	12,672
Fees for certified copies	226,742	285,450	274,832	(250)	274,582	(10,868)
Intergovernmental	350,000	414,017	445,811	(31,794)	414,017	-
Miscellaneous	27,423	42,177	43,664	-	43,664	1,487
Use of money and property - interest income	297,128	155,652	138,496	16,173	154,669	(983)
Total Revenues	5,900,000	7,953,125	8,016,400	(24,687)	7,991,713	38,588
Expenditures						
Judiciary:						
Current:						
Personal services and related benefits	4,533,075	4,830,818	4,939,630	5,668	4,945,298	(114,480)
Operating services	517,362	610,569	752,596	48,692	801,288	(190,719)
Materials and supplies	339,402	423,688	471,281	17,643	488,924	(65,236)
Travel and other charges	323,333	338,033	113,264	32,913	146,177	191,856
Capital Outlay	105,552	307,875	259,092	-	259,092	48,783
Total Expenditures	5,818,724	6,510,983	6,535,863	104,916	6,640,779	(129,796)
Excess of Revenues Over Expenditures	81,276	1,442,142	1,480,537	(129,603)	1,350,934	(91,208)
Fund Balance at Beginning of Year	4,005,117	4,005,117	3,991,768	13,349	4,005,117	-
Fund Balance at End of Year	<u>\$ 4,086,393</u>	<u>\$ 5,447,259</u>	<u>\$ 5,472,305</u>	<u>\$ (116,254)</u>	<u>\$ 5,356,051</u>	<u>\$ (91,208)</u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to Required Supplementary Information
Governmental Fund – General Fund
June 30, 2009**

Budgetary Information

The budget for the General Fund (Salary Fund) is prepared in accordance with accounting principles generally accepted in the United States of America and is adopted annually on the cash basis of accounting.

The Louisiana Local Government Budget Act provides that “the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year”. The “total estimated funds available” is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

A preliminary budget for the General Fund for the ensuing year is prepared by the Clerk of Court during May of each year. The availability of the proposed budget for public inspection and the date of the public hearing on the budget are then advertised in the official journal. During June, the Clerk of Court holds a public hearing on the proposed budget in order to receive comments from the public and other interested parties. The General Fund budget is adopted during June of each year and notice is published in the official journal.

Louisiana Revised Statute (LSA-R.S.) 39:1311 requires the chief executive or administrative officer of the Clerk of Court’s office to advise the Clerk in writing when:

- (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated fund balance by five percent or more and fund balance is being used to fund current year expenditures.

The Clerk prepares necessary budget amendments when, in his judgment, actual operations differ materially from those anticipated in the original budget and formally adopts the amendments. The adoption of the amendments is published in the official journal.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The General Fund budget for the fiscal year ended June 30, 2009 was amended on June 15, 2009.

OTHER SUPPLEMENTAL INFORMATION

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Changes in Fiduciary Unsettled Deposits
For the Year Ended June 30, 2009**

	Jury Cost Fund	Advance Deposit Fund	Registry of Court Fund	Court Reporter Fund	Total
ADDITIONS:					
Deposits:					
Suits and successions	\$ 269,214	\$ 4,630,654	\$ 2,343,112	\$ 320,274	\$ 7,563,254
Interest earned on investments	26,026	1,813	15,609	1,327	44,775
Total Additions	<u>295,240</u>	<u>4,632,467</u>	<u>2,358,721</u>	<u>321,601</u>	<u>7,608,029</u>
DEDUCTIONS:					
Clerk's costs (transferred to General Fund)	-	2,344,454	-	22,419	2,366,873
Court reporter costs (transferred to Court Reporter Fund)	-	320,274	-	-	320,274
Judge's Compensation Fund	-	155,021	-	-	155,021
Judicial Court Expense Fund	-	108,638	-	-	108,638
Settlements to litigants	-	1,598,420	3,040,191	-	4,638,611
Attorney, curator, and notary fees	-	110,168	-	-	110,168
Battered Women's Fund	-	12,790	-	-	12,790
Pro Bono Projects	-	19,773	-	-	19,773
Witnesses, appraisers, keepers, etc.	-	349	-	-	349
Stenographers' fees	-	-	-	246,149	246,149
Summons Fee	68,097	-	-	-	68,097
Sheriffs' fees	53,457	670,397	-	-	723,854
Bond refunds	69,600	36,210	-	-	105,810
Other reductions	30,947	18,099	-	29,723	78,769
Total Deductions	<u>222,101</u>	<u>5,394,593</u>	<u>3,040,191</u>	<u>298,291</u>	<u>8,955,176</u>
CHANGES IN UNSETTLED DEPOSITS	73,139	(762,126)	(681,470)	23,310	(1,347,147)
Unsettled Deposits- Beginning	1,105,701	3,862,898	3,742,964	162,092	8,873,655
Unsettled Deposits - Ending	<u>\$ 1,178,840</u>	<u>\$ 3,100,772</u>	<u>\$ 3,061,494</u>	<u>\$ 185,402</u>	<u>\$ 7,526,508</u>

Supplementary information.

See the accompanying independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND THE LOUISIANA GOVERNMENTAL AUDIT GUIDE**

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

**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 Gary Loftin
Caddo Parish Clerk of Court
Shreveport, Louisiana

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Parish Clerk of Court, Shreveport, Louisiana, a component unit of the Caddo Parish Commission, as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of the Caddo Parish Clerk of Court and have issued my report thereon dated December 21, 2008. I conducted my 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 my audit, I considered the Caddo Parish Clerk of Court's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Caddo Parish Clerk of Court's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Caddo Parish Clerk of Court's internal control over financial reporting.

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 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 Caddo Parish Clerk of Court's financial statements that is more than inconsequential will not be prevented or detected by the Clerk of Court's internal control.

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 Caddo Parish Clerk of Court's internal control.

My consideration of 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 internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

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PHONE 318-861-862

SHREVEPORT, LA 71355
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Caddo Parish Clerk of Court's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standard* and which is described in the accompanying schedule of findings as item 09-1.

The Caddo Parish Clerk of Court's response to the finding identified in my audit is described in the accompanying "Management's Corrective Action Plan". I did not audit the Caddo Parish Clerk of Court's response, and accordingly, I express no opinion on it.

This report is intended solely for the information and use of the Caddo Parish Clerk of Court, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record and is distributed by the Legislative Auditor under Louisiana Revised Statute 24:513.

William E. Weatherford, CPA, LLC

William E. Weatherford, CPA, LLC
Certified Public Accountant
Shreveport, Louisiana
December 21, 2009

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Findings
For the Year Ended June 30, 2009**

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued		<u>Unqualified</u>	
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u> </u> Yes	<u> X </u> No	
Noncompliance material to the financial statements noted?	<u> X </u> Yes	<u> </u> No	

Section II - Financial Statement Findings

See Summary Schedule of Audit Findings

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Summary Schedule of Audit Findings
For the Year Ended June 30, 2009**

FINDINGS RELATED TO COMPLIANCE

Item: 09-1

Criteria or specific requirement:

Louisiana Revised Statute (LSA R. S.) 39:1225 requires depository financial institutions to provide collateral security as described in Louisiana Revised Statute (LSA R. S.) 39:1221 in an amount that at all times is equal to one hundred percent of the amount collected and on deposit to the credit of the Clerk of Court except for that portion of deposits insured by any government agency insuring bank deposits which is organized under the laws of the United States.

Condition:

As of June 30, 2009, deposits with Regions Bank totaling \$1,948,553 were not secured from possible loss by the pledge of securities as required by Louisiana Revised Statute 39:1225.

Questioned costs:

None

Context:

Regions Bank reduced the amount of securities collateralizing the Caddo Parish Clerk of Court's deposits citing reliance on the Temporary Liquidity Guarantee Program - Transaction Account Guarantee Program to provide unlimited FDIC Insurance coverage for all non-interest bearing deposits. However, the Louisiana Attorney General has issued Opinion 09-0073 which states in part "the Transaction Account Guarantee Program does not meet the requirements of LA R.S. 6:319. Accordingly, banks may not rely on the Transaction Account Guarantee Program to release collateral otherwise required by law". Regions Bank has refused to provide additional collateral despite several requests made by the Caddo Parish Clerk of Court.

Effect:

The deposits with Regions Bank are not properly protected and are exposed to risk of loss in the event that Regions Bank is unable to provide the funds upon demand.

Cause:

Regions Bank reduced the amount of securities collateralizing the Caddo Parish Clerk of Court's deposits and improperly relied on FDIC Insurance Coverage available through the Transaction Account Guarantee Program.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Summary Schedule of Audit Findings
For the Year Ended June 30, 2009**

Recommendation:

Since Regions Bank has refused several requests to provide additional securities as collateral for the Caddo Parish Clerk of Court's deposits, the Caddo Parish Clerk of Court should move those deposits to another financial institution that will provide collateral meeting the requirements of LA R.S. 6:319.

FINDINGS RELATED TO INTERNAL CONTROL

None

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2009**

PRIOR AUDIT FINDINGS RELATED TO COMPLIANCE

None

PRIOR AUDIT FINDINGS RELATED TO INTERNAL CONTROL

None

GARY LOFTIN
CLERK OF COURT

Mike Spence
Chief Deputy

Caddo Parish Courthouse
501 Texas Street, Room 103
Shreveport, LA 71101-5408



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Financial Director: (318) 226-6775
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MANAGEMENT'S CORRECTIVE ACTION PLAN

Item 09-1- Collateral for deposits with financial institution

The Caddo Parish Clerk of Court's office has made several requests to Regions Bank for additional securities to be pledged to fully secure its deposits. Since Regions Bank has refused to pledge additional securities as collateral for the Clerk of Court's deposits, those funds in excess of FDIC coverage are being moved to another financial institution that will pledge adequate security to fully collateralize the deposits.

"Where The Public ⁴⁰ Comes First"

Civil Suits: (318) 226-6776 Criminal: (318) 226-6786 Land Records: (318) 226-6780 Fax: (318) 227-9080