

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Annual Financial Statements
Year Ended June 30, 2011

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**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2011

Our discussion and analysis of the St. Bernard Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2011. Please read these comments in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated in all material respects. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided on these reports.

Government Wide Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets reflects the financial position of the Clerk's office. The unrestricted fund balance for the General Fund as reflected in this statement consists of funds available for future spending to meet the needs of the Clerk's office. The Statement of Activities reflects the changes in net assets. Net assets, the difference between assets and liabilities, is one measure of the financial health or financial position of an entity. Over time, increases or decreases in net assets are one indicator of whether financial health is improving or deteriorating.

Fund Financial Statements

The Clerk of Court manages monies and maintains accounting records for several distinct and separate funds. The segregation of activity is based on the source of the monies and their designated purposes. Some funds are established as mandated by State law.

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

The Governmental Fund Statements provide a detailed short-term view of the general government operations and the basic services provided. Governmental fund information helps to determine whether there are more or fewer financial resources available in the near future to finance the Clerk of Court's programs.

The Governmental Fund – General Fund Statement of Revenues, Expenditures and Changes in Fund Balance provides information about the Clerk's activities as a whole and presents a view of the current year operations of the office. Substantially all of the current year's program revenues and expenses are taken into account regardless of when cash is received or paid.

In analyzing these reports, one of the more important considerations is the financial outcome of the current year operations. The current year activity is reflected in this statement and provides the data necessary to address this consideration.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS

(Continued)

1. The Clerk of Court is the trustee, or fiduciary, for funds reserved by the Court and for Advance Costs collected in payment for court expenses. All of these fiduciary activities are reported separately. These activities are excluded from the General Fund Statements of activity because the Clerk of Court cannot access these funds to finance the operations of the office. The Clerk of Court is responsible for safeguarding these assets and ensuring that these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

The financial statements provide details of the current year operations summarized as follows:

- Net assets of governmental activities decreased by \$874,981 or approximately 623% over the prior year.
- During the year, the Clerk had expenses of \$3,004,133 that were \$874,981 more than the \$2,129,152 generated in fees and other revenues for governmental programs.
- Net Assets at year-end totals \$569,621 a decrease of \$874,981 over the prior year balance of \$1,444,602.

The Statement of Net Assets and the Statement of Activities reports only one type of activity – governmental activities. All basic governmental services are reported as this type. Fees and court costs charged to the public generally finance most of these activities. Our Analysis below focuses on the net assets of the governmental-type activities:

	2011	2010	Change	Change
Current and Other Assets	\$ 747,035	\$ 1,411,062	\$ (664,027)	-47.06%
Capital Assets	143,514	240,212	(96,698)	-40.26%
Total Assets	<u>890,549</u>	<u>1,651,274</u>	<u>(760,725)</u>	<u>-46.07%</u>
Total Liabilities	320,928	206,672	114,256	55.28%
Investment in capital assets	143,514	240,212	(96,698)	-40.26%
Unrestricted	<u>\$ 426,107</u>	<u>\$ 1,204,390</u>	<u>(778,283)</u>	<u>-64.62%</u>
Total Net Assets	<u>\$ 569,621</u>	<u>\$ 1,444,602</u>	<u>\$ (874,981)</u>	<u>-60.57%</u>

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2011

FINANCIAL HIGHLIGHTS
(Continued)

Condensed Statement of Activities				
	2011	2010	Dollar Change	Total % Change
Total program expenses	\$ 3,004,133	\$ 3,017,461	\$ (13,328)	-0.44 %
Total program revenues	2,092,558	1,994,826	97,732	4.90 %
Excess expenses	(911,575)	(1,022,635)	111,060	-10.86 %
General revenues	36,594	901,604	(865,010)	-95.94 %
Change in Net Assets	(874,981)	(121,031)	(753,950)	622.94 %
Net Assets:				
Beginning of Year	1,444,602	1,565,633	(121,031)	-7.73 %
End of Year	\$ 569,621	\$ 1,444,602	\$ (874,981)	-60.57 %

ST. BERNARD PARISH CLERK OF COURT AS A WHOLE

The Clerk of Court's net assets decreased by \$874,981 as a result of this year's operations. The overall financial position declined during the fiscal year ended June 30, 2011.

Unrestricted net assets, the assets used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal obligations, generated most of the decrease this year. The balance in net assets represents the accumulated results of all past years' operations. It means that if we had to meet all of our obligations today, including all non-capital liabilities, we would have \$426,107 left. The Clerk of Court's total revenues for the year in governmental activities were \$2,129,152 (\$2,067,558 in charges for services, \$30,815 in grant funds, \$25,000 in corporate donations and \$5,779 in general revenues). The total cost of all judicial programs and services was \$3,004,133 with no new programs added this year.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As noted earlier, the Clerk uses funds to control and manage money for particular purposes. Analyzing these funds helps to determine whether the Clerk is using her resources in a responsible manner and maintaining the financial integrity of the office.

At the year ended June 30, 2011, the governmental fund reported an unassigned fund balance of \$426,107, a decrease of \$778,283 over last year. This decrease is largely explained by the decrease in Grant Income from \$832,540 in the prior fiscal year to \$30,815 in the current year, a reduction of \$801,725. It is expected that some additional FEMA funds will be received until the office of The Clerk of Court is moved back to its permanent Courthouse location. The total funds to be received are not yet calculated and are not used for purposes of this analysis. The Clerk must restrict spending in order to preserve the integrity of the office.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2011

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS
(Continued)**

Currently only necessary expenditures are made. In the event that the curtailed spending is not adequate to sustain operations, she has the option of reducing Employee Benefits to further decrease the overall cost of office operations.

GENERAL FUNDS BUDGETARY HIGHLIGHTS

The original budget for the General Funds was amended February 28, 2011. A summary of the changes follows:

Summary of Budget Changes

	Original Budget	Amended Budget 2/28/2011	Increase (Decrease)	%
Revenues:				
Program Revenues	\$ 1,780,500	\$ 1,827,800	\$ 47,300	2.64%
Non-Program Revenues	9,000	5,700	(3,300)	-0.18%
Total Revenues	1,789,500	1,833,500	44,000	2.46%
Expenditures				
Salaries	1,500,000	1,602,000	102,000	3.83%
Employee Benefits	752,300	789,300	37,000	1.39%
Office Expense	354,100	310,000	(44,100)	-1.65%
Auto/Travel	4,500	5,100	600	0.02%
Clerks Supplemental Compensation	9,000	200	(8,800)	-0.33%
Permanent Records	25,000	35,000	10,000	0.38%
Capital Outlay	20,000	38,000	18,000	0.68%
Total Expenditures	2,664,900	2,779,600	114,700	4.30%
Excess of Revenue over Expenditures	(875,400)	(946,100)	(70,700)	
Beginning Fund Balance	1,140,970	1,339,116	198,146	
Ending Fund Balance	\$ 265,570	\$ 393,016	\$ 127,446	\$ -

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2011

GENERAL FUNDS BUDGETARY HIGHLIGHTS

(Continued)

When the budget for the year ended June 30, 2011 was originally prepared, overall revenues were on the decline due to the reduction in Katrina related income. Residents had generally obtained all documents needed to replace properties lost in the storm and the recovery process was coming to a close. It was not known when revenues would reach a sustainable level because the Clerk continues to operate in unusual circumstances. For this reason Operating Revenues were reflected in a conservative manner when the budget was prepared.

While recording fees received were higher than the budget due to commencement of the Road Home Lot Next Door program, the other major income source, Transfer of Fees from the Advance Deposit Fund, was less than originally budgeted. The reduction in Operating Revenues was offset in part by increases in Criminal Court Receipts and Fees for Expungements.

In addition, the Clerk received extraordinary revenues that were not included in the original budget. The Clerk received a corporate donation of \$25,000 in December 2010 to assist in recovery from Hurricane Katrina.

Grant revenues of \$32,000 were reflected in the amended budget; Grant Income is included as a budgeted item only when both the amount and the timing of the award is known.

There were a few significant differences in expense forecasting as well. The original budget was prepared prior to the Clerk's decision to grant raises effective June 1, 2010; this decision also increased employee benefits due to increased Pension Expense and Payroll Taxes.

Expected Capital Outlay expenditures increased as well. When the Clerk received the corporate donation of \$25,000 it was designated to assist in upgrading the information technology equipment at the St. Bernard Clerk of Court's office. These funds, supplemented by operating revenues, were used to replace 18 computers at a total cost of \$30,015.

These increases have been partially offset by the Clerk's concerted effort to curtail all unnecessary spending. In addition, the Parish has begun to absorb some of the Criminal Department expenses that are their responsibility.

CAPITAL ASSETS

Capital Assets include furniture and fixtures, office equipment and vehicles at a historical cost of \$745,773. Capital Assets, net of accumulated depreciation, for governmental activities as of June 30, 2011 was \$143,514.

There were \$36,381 of additions to Capital Assets in the year ended June 30, 2011. Due to building improvements scrapped in the renovation of the courthouse and computer equipment put into storage due to obsolescence, there were \$62,307 in deletions in the current year. Depreciation expense was recorded at \$115,022. A Summary of Activity for Fixed Assets is presented in the notes to the financial statements.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2011

LONG-TERM OBLIGATIONS

The contractual commitment due to Cott Systems for eCommerce services totals \$21,996 with payments of \$1,222 due monthly.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk must consider many variables when budgeting for the coming fiscal year. Included in these factors are changing laws and regulations, economic circumstances and historical trends.

A summary of the current budget for the year ending June 30, 2012 follows:

Condensed Summary of Budgeted Finances

	<u>Y/E 6/30/2012</u>
Anticipated Revenue	\$ 2,134,000
Expenditures:	
Current	2,659,000
Permanent Records	14,000
Capital Outlay	10,000
	<u>2,683,000</u>
Excess (Deficit) of Revenues over Expenditures	(549,000)
Beginning Fund Balance	575,405
Ending Fund Balance	<u>\$ 26,405</u>

Due to the uncertainty of the parish's continued recovery, anticipated revenues are recorded at a conservative level. The Clerk has no authority to assess or increase fees on a parish level as they are determined by the state legislature and the Clerk must operate the office within the confines of state law. The economy of the parish and the level of recovery will ultimately determine the funds available to the Clerk.

The Clerk has two major sources of funding for her office, the first being Recording Fees. In the year ended June 30, 2011, fees were more than originally anticipated due to the Road Home Lot Next Door program. It is anticipated that these increased fees will carry over into the next fiscal year and favorably impact the budget.

The second major source of funds is Transfers from the Advance Deposit Fund. Actual funds received is solely determined by the legal activity and proceedings occurring within the jurisdiction of the 34th JDC. In the coming fiscal year, fees are expected to remain at this more moderate level.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2011

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

(Continued)

The Clerk's contribution to the Deferred Compensation plan was reduced effective November 2010 and this reduction in benefits is projected into the budget for the year ending June 30, 2012.

Factors affecting projected expenditures are:

Payroll and Employee Benefit Cost Decrease

Salaries are not expected to be increase any time in the near future, in fact any changes should result in a reduction in Salary Costs. As employees retire or voluntarily terminate their employment, the work load is being absorbed by other employees already on the payroll. Pension contribution rates are expected to be stable over the coming year.

Group Insurance contracts are negotiated with the Clerk's Association on an annual basis. Although any change in rates was unknown at the time the budget was prepared, a moderate allowance has been made for premium increases. Any increase should be offset by the decreases in other benefits and wages.

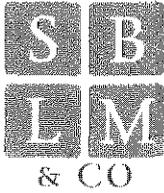
Capital Outlay Decrease

No equipment purchases were anticipated at the time the budget was prepared. However, a moderate sum was budgeted in the event a need arises.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances of the St. Bernard Clerk of Court and to show the accountability for all funds managed by this office. If you have questions about this report or need additional financial information, contact:

Honorable Lena R. Torres
St. Bernard Parish Clerk of Court
P.O. Box 1746
Chalmette, LA 70044
(504) 271-3434



SAGONA, BOURG, LEE, MATTHEW & CO., L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

Honorable Lena R. Torres
St. Bernard Parish Clerk of Court
Chalmette, Louisiana

We have audited the accompanying financial statements of the governmental activities of the St. Bernard Parish Clerk of Court as of and for the year ended June 30, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the management of the St. Bernard Parish Clerk of Court. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects the financial position of the St. Bernard Parish Clerk of Court as of June 30, 2011, and the results of its operations and its changes in fund balances for the year then ended in conformity with accounting principles generally accepted in the United States.

The Management's Discussion and Analysis and other required supplementary information, as listed in the foregoing table of contents 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, on our consideration of the St. Bernard Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral report of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sagona, Bourg, Lee, Matthew & Co., L.L.C.

Certified Public Accountants
December 22, 2011

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Net Assets
June 30, 2011

	General Fund
Assets	
Cash and cash equivalents	\$ 679,972
Receivables	36,522
Prepaid expenses	30,541
Capital assets, net of accumulated depreciation	143,514
<hr/>	
Total Assets	890,549
<hr/>	
Liabilities	
Current liabilities:	
Accounts payable	34,934
Accrued accumulated compensated absences	36,595
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Total Current Liabilities	71,529
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Long-term liabilities:	
Net other post-employment benefit obligation	249,399
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Total Liabilities	320,928
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Net Assets	
Investment in capital assets	143,514
Unrestricted	426,107
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Total Net Assets	569,621
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	\$ 890,549

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Activities
Year Ended June 30, 2011

	General Fund
Expenses	
General government:	
Personnel services and related benefits	\$ 2,504,462
Operating services	340,977
Travel and other charges	4,061
Depreciation	115,022
Permanent records	37,769
Intergovernmental	1,842
Total Expenses	3,004,133
Program Revenues	
Licenses and permits	3,912
Fees, charges, and commissions for services:	
Court costs, fees and charges	1,249,118
Fees for recording legal documents	683,102
Fees for copies of documents	89,592
Miscellaneous	66,834
Total Program Revenues	2,092,558
General Revenues	
Use of money and property – interest earnings	5,779
Grants	30,815
Total General Revenues	36,594
Net Assets	
Change in Net Assets	(874,981)
Beginning of year	1,444,602
End of year	\$ 569,621

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Balance Sheet - Governmental Fund
June 30, 2011

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 679,972
Receivables	36,522
Prepaid expenses	30,541
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Total Assets	\$ 747,035
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Liabilities	
Accounts payable	\$ 34,934
Contracts payable	21,996
<hr/>	
Total Liabilities	56,930
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Fund Equity	
Fund equity – unassigned	690,105
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Total Liabilities and Fund Equity	\$ 747,035

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Reconciliation of the Balance Sheet – Governmental Fund
To the Statement of Net Assets
June 30, 2011

Total fund balance – governmental fund (fund financial statements)	\$	690,105
Amounts reported for <i>governmental activities</i> in the statement of net assets (government-wide financial statements) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Cost of assets capitalized	\$	745,773
Accumulated depreciation	<u>(602,259)</u>	143,514
Contracts payable are not accrued on the government-wide financial statements because they were not payable at June 30, 2011		21,996
Accrued compensated absences are not recorded on fund financials because they are not due and payable at June 30, 2011		(36,595)
Recognition required by GASB No. 45 of Net Other Post- Employment Benefit Obligation recorded on the government-wide financial statements		<u>(249,399)</u>
Total net assets (government-wide financial statements)	\$	569,621

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Revenues, Expenditures and
Changes in Fund Balance – Governmental Fund
Year Ended June 30, 2011

Revenues

Licenses and permits	\$	3,912
Fees, charges, and commissions for services:		
Court costs, fees, and charges		1,249,118
Fees for recording legal documents		683,102
Fees for copies of documents		89,592
Miscellaneous		66,834
Use of money and property – interest earnings		5,779
Grants		30,815
<hr/>		
Total Revenues		2,129,152

Expenditures

General government:		
Personnel services and related benefits		2,389,854
Operating services		308,256
Travel and other charges		4,061
Capital outlay		36,381
Imaging and permanent records		37,769
Intergovernmental		1,842
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Total Expenditures		2,778,163
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Excess of expenditures over revenues		(649,011)
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Fund balance at beginning of year		1,339,116
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Fund balance at end of year	\$	690,105

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance –
Governmental Fund to the Statement of Activities
Year Ended June 30, 2011

Net change in fund balance (fund financial statements)		\$ (649,011)
Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:		
Governmental funds report capital outlays as expenditures in the individual fund.		
Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the assets.		
Asset purchases capitalized during the year	\$ 36,381	
Depreciation expense for the year	(115,022)	
Book value of assets disposed of	<u>(18,057)</u>	(96,698)
Amounts not accrued for contracts payable on government-wide financials due to difference in fund accounting & GAAP.		(14,664)
Current year increase in compensated absences are not recorded on fund financials because they are not due and payable in the current year.		613
Recognition required by GASB No. 45 of Net Other Post-Employment Benefit Obligation on the government-wide financial statements		<u>(115,221)</u>
Changes in net assets (government-wide financial statements)		<u>\$ (874,981)</u>

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Fiduciary Net Assets – Agency Funds
June 30, 2011

	Advance Deposit Fund	Registry of Court Fund	Total
Assets			
Cash and cash equivalents	\$ 1,677,988	\$ 17,475,159	\$ 19,153,147
Accounts receivable	25	-	25
<hr/>			
Total Assets	\$ 1,678,013	\$ 17,475,159	\$ 19,153,172

Liabilities

Unsettled deposits	\$ 1,678,013	\$ 17,475,159	\$ 19,153,172
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See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Changes in Fiduciary Net Assets – Agency Funds
Year Ended June 30, 2011

	Advance Deposit Fund	Registry of Court Fund	Total
Unsettled deposits, beginning of year	\$ 2,108,785	\$ 16,298,440	\$ 18,407,225
Additions:			
Deposits:			
Suits and successions	1,551,973	17,009,130	18,561,103
Interest earnings on investments	2,857	21,346	24,203
Total additions	1,554,830	17,030,476	18,585,306
Subtotal	3,663,615	33,328,916	36,992,531
Reductions:			
Clerk's costs (transferred to General Fund)	1,174,196		1,174,196
Settlements to litigants		15,851,801	15,851,801
Attorney, curator, and notary fees	69,699		69,699
Sheriff's fees	118,057		118,057
Judges' supplemental compensation fund	32,199		32,199
Judicial Clerk's fund	42,375		42,375
Other reductions	549,076	1,956	551,032
Total reductions	1,985,602	15,853,757	17,839,359
Unsettled deposits, end of year	\$ 1,678,013	\$ 17,475,159	\$ 19,153,172

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011

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

Basis of presentation - The accompanying financial statements of the St. Bernard Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB, Statement 34, Basic Financial Statements – and Management’s Discussion and Analysis - for State and Local Governments, issued in June 1999.

Reporting entity - As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Council is the financial reporting entity for St. Bernard Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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, as amended by GASB Statement No. 39, established criteria for determining which component units should be considered part of the St. Bernard Parish Council 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. These criteria include:

- A. Appointing a voting majority of an organization’s governing body, and
 - 1. The ability of the council to impose its will on that organization and/or
 - 2. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
- B. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
- C. 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.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Reporting entity – Continued

Because the parish council pays certain operating expenditures of the Clerk's office as required by Louisiana law, the Clerk of Court was determined to be a component unit of the St. Bernard Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the council, the general government services provided by that governmental unit, or the other government units that comprise the financial reporting entity.

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

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

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

General Fund

The General Fund, as provided by Louisiana Revised Statute 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.

Agency Funds

The Advance Deposit and Registry of Court Agency Funds account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of accounting – Fund Financial Statements (FFS) - The amounts reflected in the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (FFS), are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Basis of accounting - Continued

The amounts reflected in these statements (FFS), use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Recordings, cancellations, court attendance, criminal cost, etc., are recorded in the year in which they are earned. Interest income on investments is recorded when the investments have matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

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

Basis of accounting - Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities (GWFS) display information about the St. Bernard Parish Clerk of Court as a whole. These statements include all the financial activities of the St. Bernard Parish Clerk of Court. 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*. Agency Funds are not included in the GWFS.

Program Revenues

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

Reconciliations

On pages 14 and 16 are the reconciliations of the items reflected in the fund financial statements to the government-wide financial statements.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Budget practices - The proposed budget for the 2011 fiscal year was made available for public inspection at the Clerk's office on June 10 2010. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 6 days prior to the public hearing. The budget hearing was held at the Clerk's office on June 11, 2010. The budget is legally adopted and amended, as necessary, by the Clerk. The budget for the 2011 fiscal year was amended February 28, 2011 adopted and published in the official journal on April 8, 2011. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

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

Uncollectible accounts receivable - The Clerk of Court uses the allowance method to account for uncollectible accounts receivable. The allowance for uncollectible accounts is based on prior years experience and management's analysis of possible bad debts. Bad debt recoveries are charged against the allowance account as realized. The Clerk of Court considers all accounts receivable at June 30, 2011 to be fully collectible. Accordingly, no allowance for uncollectible accounts is required.

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

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

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

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital assets – (Continued)

Compensated absences - Employees of the Clerk of Court's office earn two weeks vacation leave and up to four weeks sick leave each year. The leave time accrues on a calendar year basis and must be used in the calendar year earned and is not payable upon separation from service. The accrued accumulated leave which had been unused by employees at June 30, 2011 has been included in the government - wide financial statements.

Fund equity - Assigned fund equity represents those portions of fund equity that are budgeted by the Clerk through the Clerk's formal budgeting process for specific purposes.

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

2. CONTINUED UNCERTAINTY OF FUTURE MARKET CONDITIONS

On August 29, 2005, the region which the Clerk of Court serves was impacted by Hurricane Katrina and the area, inclusive of the Clerk's Office, experienced significant destruction as a result of wide spread flooding. Management estimated the adverse impact of this catastrophe upon the Clerk of Court's 2006 financial statements, including disaster response costs and casualty losses, and the material amounts of those effects were reported in the 2006 financial statements. The long-term viability of the devastated areas continues to depend on the extent of rebuilding and repopulation of these areas. At this time, the extent of the rebuilding and repopulation of the affected areas have not yet been determined. Therefore, the outlook for the affected areas' economic future remains at this time uncertain, as is the manner in which that uncertainty could affect the Clerk of Court's future financial condition and continued existence.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

3. CASH AND CASH EQUIVALENTS

At June 30, 2011, the Clerk of Court has cash and cash equivalents (book balances) totaling \$19,833,119 as follows:

	Governmental Fund	Agency Fund	Total
Checking accounts	\$ 679,972	\$ 1,690,632	\$ 2,370,604
Time deposits	-	-	-
Savings passbooks	-	17,462,515	17,462,515
Total deposits	\$ 679,972	\$ 19,153,147	\$ 19,833,119

The deposits are stated at cost, which approximates market. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2011, the clerk has \$19,958,835 in deposits (collected bank balances). These deposits are secured from risk by \$1,757,751 of federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) with a par value of \$20,755,274 and a market value of \$21,846,497 at June 30, 2011. The Federal Deposit Insurance Corporation currently provides deposit insurance coverage of \$250,000 per account owner.

Even though the pledged securities are not considered collateral under the provisions of GASB Statement 3 (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.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

4. RECEIVABLES

The receivables of \$132,154 at June 30, 2011, are as follows:

		Governmental Fund- General Fund
Regular	\$	26,226
Court Attendance		1,540
Criminal Court Costs		8,066
Other		690
	\$	36,522

Receivable balances past due ninety days or more at June 30, 2011 amounted to \$6,835.

5. CAPITAL ASSETS

The St. Bernard Parish Clerk of Court adopted a capitalization policy in accordance with its prior implementation of GASB 34. This adoption required an adjustment be made to adjust for assets previously carried at historical cost under \$500.

A schedule of changes in capital assets follows:

Governmental Activities	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Equipment & Furniture	\$ 748,910	\$ 36,381	\$ (39,518)	\$ 745,773
Building Improvements	22,789	-	(22,789)	-
Totals	\$ 771,699	\$ 36,381	\$ (62,307)	\$ 745,773

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

5. CAPITAL ASSETS - (Continued)

Less accumulated depreciation:

Governmental Activities	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Equipment & Furniture	\$ 524,165	\$ 115,022	\$ (36,928)	\$ 602,259
Building Improvements	7,322		(7,322)	-
Totals	\$ 531,487	\$ 115,022	\$ (44,250)	\$ 602,259
Capital assets, net	\$ 240,212			\$ 143,514

The depreciation expense for June 30, 2011 amounted to \$115,022.

6. GRANT REVENUES

During the year ended June 30, 2011 the Clerk's office reported revenues from grants, which were received at June 30, 2011 as follows:

Received	\$ 30,815
Total Grant Revenue	\$ 30,815

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

7. PENSION PLAN

Plan Description. Substantially all employees of the St. Bernard Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system provides retirement, survivor, disability and terminated benefits to plan members and beneficiaries. The System provides retirement benefits to members through a defined benefit pension plan.

Funding Policy. All regular employees work more than an average of 20 hours per week are eligible to participate in the System. Employees are vested after 12 years of service time. Employees are eligible for regular retirement benefits upon attaining twelve years or more of credited service, attaining the age of fifty-five and terminating employment. Regular retirement benefits, payable monthly for life, equal 3-1/3 percent of the employees' average final compensation multiplied by the number of years of credited service, not to exceed 100 percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those employees hired on or after July 1, 2006, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last 6 years of measurement. Act 273 of the 2010 regular session of the Louisiana Legislature applied 60 months to all employees. The Act has a transition period for those employees who retire after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session of the Louisiana Legislature increased employees retirement age to 60 with an accrual rate of 3% for all members hired on or after January 1, 2011. The System also provides death and disability benefits. Benefits are established by state statute. Contributions to the System include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Annual Pension Cost. For 2011, the Clerk's annual pension cost of \$266,986 agreed with the Clerk's required contribution of \$266,986. The required contribution was determined as part of the June 30, 2010 actuarial valuation. The actuarial assumptions included an 8% investment rate of return (net of administrative expenses) and a projected salary increase of 6% per year.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

7. PENSION PLAN - (Continued)

Three year trend information for the St. Bernard Parish Clerk of Court

Fiscal Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2009	\$292,441	59%	\$121,024
06/30/2010	\$393,264	85%	\$ 57,640
06/30/2011	\$414,311	95%	\$ 20,353

Required supplemental information – Schedule of Funding Program of PERS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll (b-a)/(c)
06/30/2008	\$356,502,864	\$441,718,760	\$85,215,896	81%	\$83,637,009	102%
06/30/2009	\$338,755,452	\$424,940,525	\$86,185,073	80%	\$85,840,893	100%
06/30/2010	\$358,981,529	445,935,528	86,953,999	81%	\$86,484,686	101%

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

<u>St. Bernard Parish Clerk of Court</u>	<u>Year Ended June 30, 2011</u>
Total current-year payroll	\$ 1,602,598
Total current-year covered payroll	1,547,746
Total current-year covered payroll – (excluding DROP wages)	1,539,046
Actuarially required contribution: Dollar amount	434,664
Percentage of total actuarially required contribution of all participating employers and employees	1.87%

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

7. PENSION PLAN - (Continued)

	Required by Statute		Actual Contribution	
Contributions:				
Employees	8.25%	\$ 126,972	8.25%	\$ 126,972
Employer	17.25%	266,986	17.25%	266,986
	25.50%	\$ 393,958	25.50%	\$ 393,958

Actuarial information about the System for its most recent year available, the year ended June 30, 2010, is presented below.

Louisiana Clerks of Court Retirement and Relief Fund

Estimated payroll for current year	\$ 88,681,405
Actuarially required contributions:	
Actuarially required contribution for dedicated taxes:	
Dollar amount	\$ 8,219,879
Percent of estimated payroll	9.27%
Actuarially required contribution for employers and employees:	
Dollar amount	\$ 15,058,335
Percent of estimated payroll	16.98%
Total actuarially required contribution:	
Dollar amount	\$ 23,278,214
Percent of estimated payroll	26.25%
Net assets, fair value	\$ 301,692,473
Pension benefit obligation	499,177,787
Unfunded benefit obligation	\$ 197,485,314

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

7. PENSION PLAN - (Continued)

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

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

The St. Bernard Parish Clerk of Court does not guarantee the benefits granted by the System.

8. OTHER POST-EMPLOYMENT BENEFITS

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

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk contributes 50% of the cost of current-year premiums for eligible retired plan members and 50% of the cost for retired plan members' spouses and dependent children. For fiscal 2011, the Clerk contributed \$19,373 to the plan and the retirees contributed \$19,201.

Annual OPEB and Net OPEB Obligation. For 2011, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with parameters of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

8. OTHER POST-EMPLOYMENT BENEFITS - (Continued)

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

Annual Required Contribution	\$152,716
Interest on Net OPEB Obligation	5,367
Adjustment to Annual Required Contribution	<u>(4,792)</u>
Annual OPEB Cost (Expense)	153,291
Contributions Made	<u>(38,070)</u>
Increase in Net OPEB Obligation	115,221
Net OPEB Obligation - beginning of year	<u>134,178</u>
 Net OPEB Obligation - end of year	 <u>\$249,399</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal Year 2011 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$153,291	24.8%	\$249,399
June 30, 2010	\$152,716	12.1%	\$134,178

Funded Status and Funding Progress. As of June 30, 2009, the Actuarial Accrued Liability ("ALL") for benefits was \$1,792,560, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan was \$1,300,827, and the ratio of the unfunded ALL to the covered payroll was 137.8%.

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

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

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

8. OTHER POST-EMPLOYMENT BENEFITS - (Continued)

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

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

Required Supplementary Information - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded ALL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
June 30, 2009	\$ -	\$1,792,560	\$1,792,560	0.0%	\$1,300,827	137.8%

The cost of such premiums borne by the Clerk of Court for both active and retired participants amounted to \$345,222 for 2011. These benefits are provided in accordance with the provisions of the Louisiana Clerks of Court Retirement and Relief System in which the St. Bernard Parish Clerk of Court's office participates as described in Note 7.

9. EXCESS FUND BALANCE

Louisiana Revised Statute 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 balance that exceeds one-half of the revenues of the last year of the Clerk's term of office. At June 30, 2011, there was no amount due the parish treasurer.

10. LITIGATION AND CLAIMS

There were no litigation or claims outstanding at June 30, 2011, in which the Clerk of Court's office has any exposure of significant loss.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2011
(Continued)

11. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL

Certain operating expenditures of the Clerk's office are paid by the parish council and are not included in the accompanying financial statements. These expenditures are summarized as follows:

<u>Operating services less court attendance</u>	\$	9,000
<u>Total</u>	\$	9,000

12. COMMITMENTS

The Clerk of Court entered into a contract with a provider company for various e-commerce services. At June 30, 2011 the amounts of this contracts is as follows:

<u>Contract Services</u>	<u>Balance June 30, 2011</u>	
E-commerce software services	\$ 21,996	(1)
	<u>\$ 21,996</u>	

The terms of the above commitment are as follows:

- (1) \$21,996 is payable in thirty remaining monthly installments of \$1,222.

In addition to these contractual commitments, there are currently nine agreements with the same company to provide software assurance, hardware maintenance and related services with monthly payments in amounts ranging from \$64 to \$1,939 per month that extend generally until February 28, 2012 as follows:

Resolution software license/support	\$1,939
Resolution hardware maintenance	820
Verdict software license support - Criminal	662
Verdict software license support - Civil / Jury	1,104
Web hosting service	257
E-backup service	1,000
Auto redaction	100
Offsite storage fee	64
E-backup from image import	303

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2011

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Licenses and permits	\$ 3,000	\$ 3,800	\$ 3,912	\$ 112
Fees, charges, and commissions for services:				
Court costs, fees, and charges	1,146,000	1,060,000	1,249,118	189,118
Fess for recording legal documents	541,500	585,500	683,102	97,602
Fess for copies of documents	70,000	87,000	89,592	2,592
Miscellaneous	20,000	59,000	66,834	7,834
Use of money and property – interest earnings	9,000	5,700	5,779	79
Grants	-	32,500	30,815	(1,685)
Total Revenues	1,789,500	1,833,500	2,129,152	295,652
Expenditures				
General government:				
Personnel services and related Benefits	2,252,300	2,391,300	2,389,854	1,446
Operating services	363,100	299,200	308,256	(9,056)
Travel and other charges	4,500	5,100	4,061	1,039
Capital outlay	20,000	38,000	36,381	1,619
Imaging and permanent records	25,000	35,000	37,769	(2,769)
Intergovernmental	-	11,000	1,842	9,158
Total Expenditures	2,664,900	2,779,600	2,778,163	1,437
Excess revenues (expenditures)	(875,400)	(946,100)	(649,011)	297,089
Fund balance at beginning of year	1,140,970	1,339,116	1,339,116	-
Fund balance at end of year	\$ 265,570	\$ 393,016	\$ 690,105	297,089

See notes to financial statements

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

REPORTS REQUIRED BY GAO

YEAR ENDED JUNE 30, 2011

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

We have audited the basic financial statements of the St. Bernard Parish Clerk of Court as of and for the year ended June 30, 2011 and have issued our report thereon dated December 22, 2011. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2011 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control:
Material Weaknesses _____ Yes X No Significant Deficiencies _____ Yes X No

Compliance:
Compliance Issues Material to Financial Statements _____ Yes X No
- b. Federal Awards – Reports not required; less than \$500,000 of federal funds expended during the year.
- c. Identification of Major Programs – None

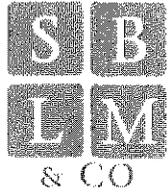
Section II Financial Statement Findings – No matters were reported

Section III Federal Award Findings and Questioned Costs – None

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

YEAR ENDED JUNE 30, 2011



SAGONA, BOURG, LEE, MATTHEW & CO., L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Independent Auditor's Report on Compliance and on
Internal Control over Financial Reporting Based on
an Audit of Basic Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Lena R. Torres
St. Bernard Parish Clerk of Court
Chalmette, Louisiana

We have audited the basic financial statements of the St. Bernard Parish Clerk of Court (the Clerk) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the governmental activities, the general fund and the agency funds, in accordance with auditing standards generally accepted in the United States of America, we considered the Clerk'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 Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

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

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

This report is intended for the information and use of management, others within the entity, and the legislative auditor and should not be used by anyone other than these specified parties.

Lagana, Bourg, Lee, Matthew & Co., L.L.C.

Certified Public Accountants
December 22, 2011