

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana  
Financial Report  
For the Year Ended June 30, 2011**

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 **FEB 08 2012**

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# Langley, Williams & Company, L.L.C.

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COMPANY AUDIT FIRMS

## INDEPENDENT AUDITORS' REPORT

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Clerk of Court as of June 30, 2011, and for the year then ended. These basic financial statements are the responsibility of the Calcasieu 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatements. 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.

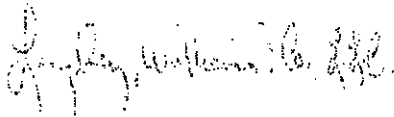
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Clerk of Court as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles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

In accordance with *Government Auditing Standards*, we have issued our report dated December 20, 2011, on our consideration of the Calcasieu Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 29 and 30 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.

The Calcasieu Parish Clerk of Court has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Calcasieu Parish Clerk of Court's basic financial statements. The other supplementary information on pages 32-33 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Calcasieu Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



December 20, 2011

**BASIC FINANCIALS STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 1,899,559
Receivables	136,173
Total current assets	<u>2,035,732</u>
<b>Noncurrent assets:</b>	
Capital assets, net	<u>1,132,679</u>
Total assets	3,168,411
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	183,226
Due to fiduciary funds	9,261
Compensated absences	148,005
Total current liabilities	<u>340,492</u>
<b>Noncurrent liabilities:</b>	
Compensated absences	289,005
Net OPEB obligation	1,385,038
Total liabilities	<u>1,674,043</u>
<b>NET ASSETS</b>	
Invested in capital assets	1,132,679
Unrestricted	21,197
Total net assets	<u>\$ 1,153,876</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
		Fees and Charges for Services	Operating Grants	Governmental Activities
<b>Governmental activities:</b>				
Judicial	\$ 7,303,528	\$ 5,730,573	\$ 113,129	\$ (1,459,826)
<b>Total Governmental Activities</b>	<u>\$ 7,303,528</u>	<u>\$ 5,730,573</u>	<u>\$ 113,129</u>	(1,459,826)
<b>General revenues:</b>				
				66,664
				446
				10,574
				<u>77,684</u>
				(1,382,142)
				<u>2,536,018</u>
				<u>\$ 1,153,876</u>

The accompanying notes are an integral part of this statement.



**FUND FINANCIAL STATEMENTS (FFS)**

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2011

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,899,559
Receivables	<u>136,173</u>
Total assets	<u><u>2,035,732</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	183,225
Due from agency funds	<u>9,261</u>
Total liabilities	<u>192,486</u>
<b>FUND BALANCE</b>	
Unassigned	<u>1,843,246</u>
Total liabilities and fund balance	<u><u>\$ 2,035,732</u></u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND -  
TO THE STATEMENT OF NET ASSETS

June 30, 2011

Total fund balance for governmental funds at June 30, 2011		\$	1,843,246
Total net assets reported for governmental activities in the Statement of Net Assets is different due to the following:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Capital assets, net of \$1,081,629 accumulated depreciation			1,132,679
Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consists of:			
Compensated absences payable	\$	(437,010)	
Net OPEB Obligation payable		<u>(1,385,038)</u>	<u>(1,822,048)</u>
Total net assets of governmental activities at June 30, 2011		\$	<u>1,153,877</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended June 30, 2011

	General Fund
<b>REVENUES</b>	
Licenses and permits	\$ 52,373
Fees, charges, and commissions for services:	
Clerk's supplemental compensation	66,664
Fees for recording legal documents	1,988,221
Fees for certified copies of documents	333,682
Court costs, fees, and charges	3,114,745
Remote internet access	197,119
Mortgage certificates	44,433
Grant	113,129
Non-support	446
Interest	10,574
Total revenues	<u>5,921,386</u>
 <b>EXPENDITURES</b>	
Current:	
General government - judicial:	
Personal services	3,418,395
Employee benefits	1,680,656
Operating services	1,014,111
Travel and professional development	4,606
Supplies	255,842
Capital outlay	173,941
Total expenditures	<u>6,547,551</u>
 <b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	 (626,165)
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>	 <u>2,469,411</u>
 <b>FUND BALANCE AT END OF YEAR</b>	 <u><u>\$ 1,843,246</u></u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND -  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Excess of expenditures over revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (626,165)
The change in net assets reported for governmental activities in the Statement of Activities is different due to the following:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	173,941
Depreciation expense	<u>(230,643)</u>
	(56,702)
Net change in OPEB obligation	(680,117)
Government funds do not report the change in compensated absences payable as expenditures. However, this expense is reported in the Statement of Activities.	<u>(19,158)</u>
Changes in net assets per Statement of Activities	<u>\$ (1,382,142)</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

COMBINED STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2011

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,913,721
Due from general fund	<u>9,293</u>
<b>Total assets</b>	<u><u>\$ 9,923,014</u></u>
<b>LIABILITIES</b>	
Due to general fund	\$ 31
Due to others	<u>9,922,983</u>
<b>Total liabilities</b>	<u><u>\$ 9,923,014</u></u>

The accompanying notes are an integral part of this statement.

## *Notes to the Financial Statements*

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Calcasieu 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

**B. REPORTING ENTITY**

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.

These financial statements present the Calcasieu Parish Clerk of Court as the primary government. As defined by GASB No. 14, component units are legally separate entities that are included in the reporting entity because of the significance of their operating or financial relationships. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Calcasieu Parish Clerk of Court is legally separate and fiscally independent, the Clerk of Court is a separate governmental reporting entity. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located. These transactions between the Clerk of Court and the Police Jury are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

As an independent elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, 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 uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

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



Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FUND ACCOUNTING (Continued)

*General Fund* – The general fund 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 Advance Deposit, Registry of Court, Adoption and Battered Women agency funds account for assets held by the clerk as an agent for litigants held 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 modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

**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 balances 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 clerk operations.

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 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. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Revenues are recorded in the period in which they are earned.

**Expenditures**

Expenditures are recorded in the period in which the goods and services are received.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

**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 as a whole. These statements include all the financial activities of the clerk. Information contained in these columns 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*. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

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 specially 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 and 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.

**E. BUDGETS**

The clerk uses the following mandated requirements for budget practices:

1. A proposed budget is prepared and submitted to the Clerk of Court.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

The proposed budget for the 2011 fiscal year was made available for public inspection at the Clerk's office on June 16, 2010. The budget hearing was held at the clerk's office on June 30, 2010. The budget is legally adopted and amended, as necessary, by the clerk.

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in cash on hand, demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk 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.

**G. INTERFUND TRANSACTIONS**

Interfund transactions are reflected as services provided, reimbursements or transfers. Any residual balances outstanding between the governmental activities and the fiduciary funds are reported in the government-wide financial statements as "Due to or from fiduciary funds".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or fiduciary funds are netted as part of the reconciliation to the government-wide presentation.

**H. CAPITAL ASSETS**

Capital assets are capitalized at historical cost. 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 \$1,000 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 as follows:

Furniture and equipment for 3 to 10 years  
Legal document library costs for 40 years

**I. COMPENSATED ABSENCES**

The clerk has the following policy relating to vacation and sick leave:

All full time employees of the Calcasieu Parish Clerk of Court office earn vacation leave at a rate of 2 to 5 weeks each year, depending upon their length of service. Vacation must be used in the year after it is earned. Sick leave is earned at a rate of one to one and one-half days per month, depending upon length of service. Sick leave may be carried forward from year to year. When employees retire they receive a maximum of thirty days compensation for sick days.

The cost of leave privileges is recognized as current year expenditure in the general fund when the leave is actually taken. The cost of leave privileges not requiring current resources is reflected in the government-wide financial statements.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

**Notes to the Financial Statements**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. EQUITY CLASSIFICATIONS**

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

1. Investment 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.
2. 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.
3. Unrestricted net assets- All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**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. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2011.

**L. 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**

Under state law, the Clerk may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2011, the Clerk has cash and interest-bearing deposits (book balances) totaling \$11,813,281 as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Demand deposits	\$ 665,880	\$ 9,691,853	\$ 10,357,733
Petty cash	4,175	-	4,175
Time deposits	1,229,504	221,869	1,451,373
	<u>\$ 1,899,559</u>	<u>\$ 9,913,722</u>	<u>\$ 11,813,281</u>

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

2. CASH AND CASH EQUIVALENTS- (CONTINUED)

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

**Custodial credit risk:** For deposits is the risk that in the event of the failure of a depository financial institution, the Clerk deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. 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 fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2011, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 12,329,052</u>
Federal insurance	\$ 500,000
Pledged securities	<u>12,225,034</u>
Total federal insurance and pledged securities	<u>\$ 12,725,034</u>

As of June 30, 2011, the Clerk's total bank balances were fully insured and collateralized with securities held in the name of the Clerk by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

**Interest Rate Risk:** The Clerk'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's certificates of deposit 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 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.

3. RECEIVABLES

The accounts receivable balance as of June 30, 2011 was \$136,173. This balance consists of charges for services of \$135,933, and accrued interest of \$240.

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2011, is as follows:

<u>Governmental Activities</u>	Balance July 1, 2010	Additions	Transfer	Balance June 30, 2011
Computers and equipment	\$ 1,603,468	\$ 157,082	\$ -	\$ 1,760,550
Legal document library	436,898	16,860	-	453,758
	<u>2,040,366</u>	<u>173,942</u>	<u>-</u>	<u>2,214,308</u>
Less accumulated depreciation	<u>(850,986)</u>	<u>(230,643)</u>	<u>-</u>	<u>(1,081,629)</u>
Capital assets, net	<u>\$ 1,189,380</u>	<u>\$ (56,701)</u>	<u>\$ -</u>	<u>\$ 1,132,679</u>

Depreciation expense of \$230,643 was charged to the general government function.

**5. ACCOUNTS PAYABLE**

The accounts and other payables consisted of the following at June 30, 2011:

	General Fund
Accounts payable	\$ 133,829
Payroll liabilities	49,397
	<u>\$ 183,226</u>

**6. COMPENSATED ABSENCES**

The following is a summary of long-term debt transactions of the Clerk of Court for the year ended June 30, 2011:

Compensated absences payable, at June 30, 2010	\$ 269,847
Net change	19,158
Compensated absences payable, at June 30, 2011	<u>\$ 289,005</u>

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

7. FUND BALANCE – GOVERNMENTAL FUNDS

As of June 30, 2011, fund balances of the governmental funds are classified as follows:

*Nonspendable* — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* — amounts that can be used only for specific purposes determined by a formal action of the Clerk. The Clerk is the highest level of decision-making authority for the Clerk. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Clerk.

*Assigned* — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk's adopted policy, only the Clerk may assign amounts for specific purposes.

*Unassigned* — all other spendable amounts.

As of June 30, 2011, the Clerk of Court had Unassigned fund balance of \$1,843,246.

8. OPERATING LEASE COMMITMENT

The Clerk has a commitment with GMAC to lease a vehicle. The future minimum rental commitment for the remaining lease term is as follows:

	Year Ending June 30,	
	<u>2012</u>	
Total future minimum lease payments		\$ 3,575

The Clerk has a commitment with LCL Investments, LLC to lease a building for storage for \$2,400 a month ending June 30, 2012 with the option to an additional period of three and half years. The future minimum rental commitment for the remaining lease term is as follows:

	June 30,	
	<u>2012</u>	
Total future minimum lease payments		\$ 14,400

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

9. PENSION PLAN

*Plan Description.* Substantially all employees of the Calcasieu 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.

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 (504) 293-1162.

*Funding Policy.* Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Calcasieu Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 14.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Calcasieu 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 Clerk's contributions to the system for the years ending June 30, 2011, 2010, and 2009, were \$784,622, \$739,235, and \$616,584, respectively, equal to the required contributions for each year.

10. OTHER POST-EMPLOYEMENT BENEFITS

*Plan Description -* The Calcasieu Parish Clerk of Court provides certain healthcare and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by employees and the Clerk. The Clerk recognizes the cost of providing these benefits as expenditures when the monthly premiums are due.

The GASB has issued Statement No.45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, which changes the accounting for post-employment benefits (e.g., payments made by the Clerk for retiree insurance). As required, management has implemented the new standard for the year ending June 30, 2010.

The plan is required to have an Actuarial evaluation every three years. Some information furnished below is from the most current actuarial evaluation done November 18, 2010.

For the fiscal year ending June 30, 2011, the Clerk of Court's portion of health care funding cost for retired employees totaled \$186,622. These amounts were applied toward the Net OPEB Benefit Obligations as shown on the following page.



Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

**10. OTHER POST-EMPLOYMENT BENEFITS- (CONTINUED)**

Annual Required Contribution: the Clerk of Court's Annual Required Contribution is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Liability (UAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB43/45) has been used for the post-employment benefits. The total ARC for the fiscal year ending June 30, 2011 is \$866,739 for post-employment benefits, as set forth below:

OPEB Cost	
Normal Cost	\$ 503,949
Minimum Amortization of UAL	322,063
Interest	33,040
Year 2 assumption of annual cost	7,687
Annual Required Contribution	\$ 866,739

Net Post-employment Benefit Obligation: The table below shows the Clerk of Court's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30, 2011:

OPEB Cost	\$ 866,739
Contributions Made	(186,622)
Increase in Net OPEB Obligation	680,117
Net OPEB Obligation - beginning of year	704,921
Net OPEB Obligation - end of year	\$ 1,385,038

The Calcasieu Parish Clerk of Court's annual OPEB cost contributed to the plan using the pay-as-you-go method and the net OPEB obligation for the fiscal year ended June 30, 2011 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 859,052	17.90%	\$ 704,921
6/30/2011	\$ 866,739	21.50%	\$ 1,385,038

Fiscal year 2010 was the year of implementation of GASB Statement No. 45 and the Clerk of Court elected to implement prospectively; therefore, prior year comparative data is not available.

Funded Status and Funding Progress: During fiscal year 2010, the Calcasieu Parish Clerk of Court did not establish a fund for trusts to accumulate and invest assets necessary to pay for the accumulated liability; these financial statements assume the pay-as-you-go funding will continue. Since no contributions were made, the Calcasieu Parish Clerk of Court's entire actuarial accrued liability of \$9,735,224 was unfunded.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

**10. POSTEMPLOYMENT RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS-  
(CONTINUED)**

The funded status of the plan, as determined by an actuary as of July 1, 2009 was as follows:

Actuarial accrued liability (AAL)	\$	9,017,612
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	9,017,612
Funded ratio		0
Annual covered payroll	\$	3,168,688
(UAAL) as a percentage of covered payroll		284.6%

*Actuarial 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 benefit costs between the employer and plan members to that point. The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar open basis.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 Calcasieu Parish Clerk of Court's actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return. The CCRRF retirement and withdrawal (turnover) tables were used and they were adjusted to produce an average number of retirements and turnover that is consistent with the Clerk's recent experience. The 1994 Uninsured Pensioner Mortality Table was used in making actuarial assumptions which is consistent with the CCRRF pension plan valuation. The valuation assumes a 14.5% healthcare cost trend increase (including 4.75% dental) for fiscal year 2010-2011, reduced by varying increments in each subsequent year.

**11. RISK MANAGEMENT**

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

**12. DEFERRED COMPENSATION PLAN**

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 50% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$104,234 for the year ended June 30, 2011.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**13. EXPENDITURES PAID BY OR TO THE CALCASIEU PARISH POLICE JURY**

The Clerk of Court's office is located in the Calcasieu Parish Courthouse. The Police Jury pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements.

Income relating to capital outlay required to be paid by the Police Jury are reported as revenues totaling \$113,129 as of June 30, 2011. Expenditures related to judge's secretary fees and telephone expense totaling \$71,214 were paid to the Police Jury as of June 30, 2011.

**14. COMMITMENTS**

At year end, the Clerk had commitments outstanding of approximately, \$46,000 in the form of contracts for a new criminal system. The Clerk anticipates the Supreme Court of Louisiana to match 100% of the cost of the system.

**15. SUBSEQUENT EVENTS**

The Clerk evaluated its June 30, 2011 financial statements for subsequent events through December 20, 2011, the date the financial statements were available to be issued. The Clerk is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

*Required Supplemental Information*

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended June 30, 2011

	GENERAL FUND			
	BUDGET		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 30,000	\$ 51,261	\$ 52,373	\$ 1,112
Fees, charges, and commissions for services				
Clerk's supplemental compensation	19,800	21,250	66,664	45,414
Fees for recording legal documents	1,725,483	1,718,759	1,988,221	269,462
Fees for certified copies of documents	285,566	351,696	333,682	(18,014)
Court costs, fees, and charges	3,641,641	3,410,698	3,114,745	(295,953)
Remote internet access	211,438	200,133	197,119	(3,014)
Mortgage certificates	38,724	44,653	44,433	(220)
Grant income	90,968	113,129	113,129	-
Non-support	-	-	446	446
Interest	30,000	2,620	10,574	7,954
Miscellaneous income	36,380	39,762	-	(39,762)
Total revenues	<u>6,110,000</u>	<u>5,953,961</u>	<u>5,921,386</u>	<u>(32,575)</u>
<b>EXPENDITURES</b>				
Personal services	3,377,995	3,408,721	3,418,395	(9,674)
Operating services	755,067	775,132	1,014,111	(238,979)
Related benefits	1,622,005	1,704,725	1,680,656	24,069
Travel and professional development	37,755	26,528	4,606	21,922
Supplies	207,178	441,143	255,842	185,301
Capital outlay	110,000	240,859	173,941	66,918
Total expenditures	<u>6,110,000</u>	<u>6,597,109</u>	<u>6,547,551</u>	<u>49,558</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	-	(643,148)	(626,165)	16,983
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>2,469,411</u>	<u>2,469,411</u>	<u>2,469,411</u>	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 2,469,411</u>	<u>\$ 1,826,263</u>	<u>\$ 1,843,246</u>	<u>\$ 16,983</u>

The accompanying notes are an integral part of this financial statement.

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN  
For the Year Ended June 30, 2011**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Cost</u>	<u>Unfunded AAL ((UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<u>6/30/2010</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>[(b-a)/c]</u>
6/30/2010	-	\$9,017,612	\$9,017,612	0%	\$3,168,688	284.6%
6/30/2011	-	\$9,735,224	\$9,735,224	0%	\$3,418,395	284.8%

The accompanying notes are an integral part of this financial statement

*Other Supplemental Information*

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**

June 30, 2011

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Other Fiduciary Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,277,717	\$ 2,564,206	\$ 71,798	\$ 9,913,721
Due from general fund	9,293	-	-	9,293
<b>Total assets</b>	<b>\$ 7,287,010</b>	<b>\$ 2,564,206</b>	<b>\$ 71,798</b>	<b>\$ 9,923,014</b>
<b>LIABILITIES</b>				
Due to general fund	-	-	31	31
Due to others	7,287,010	2,564,206	71,767	9,922,983
<b>Total liabilities</b>	<b>\$ 7,287,010</b>	<b>\$ 2,564,206</b>	<b>\$ 71,798</b>	<b>\$ 9,923,014</b>

The accompanying notes are an integral part of this financial statement



**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**

**For the Year Ended June 30, 2011**

	Advance Deposit Fund	Registry of Court Fund	Other Fiduciary Funds	Total
<b>ADDITIONS</b>				
<b>Deposits</b>				
Suits and successions	\$ 5,472,505	\$ -	\$ 48,277	\$ 5,520,782
Judgments	-	1,110,142	-	1,110,142
Interest	3,105	1,145	27	4,277
<b>Total additions</b>	<b>5,475,610</b>	<b>1,111,287</b>	<b>48,304</b>	<b>6,635,201</b>
<b>DEDUCTIONS</b>				
Distributed to litigants	1,316,753	1,060,528	-	2,377,281
Clerk's costs	2,920,745	-	16,894	2,937,639
Sheriff's fees	490,336	-	1,632	491,968
Women's shelter fees	-	-	6,408	6,408
Other deductions	577,663	-	9,652	587,315
<b>Total deductions</b>	<b>5,305,497</b>	<b>1,060,528</b>	<b>34,586</b>	<b>6,400,611</b>
<b>NET CHANGE</b>	<b>170,113</b>	<b>50,759</b>	<b>13,718</b>	<b>234,590</b>
<b>Balances at beginning of year</b>	<b>7,116,897</b>	<b>2,513,447</b>	<b>58,049</b>	<b>9,688,393</b>
<b>Balances at end of year</b>	<b>\$ 7,287,010</b>	<b>\$ 2,564,206</b>	<b>\$ 71,767</b>	<b>\$ 9,922,983</b>

The accompanying notes are an integral part of this financial statement.



# Langley, Williams & Company, L.L.C.

## CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS  
TEXAS STATE BOARD  
OF PUBLIC ACCOUNTANCY  
PUBLIC COMPANY  
ACCOUNTING OVERSIGHT BOARD  
CENTER FOR PUBLIC  
COMPANY AUDIT FIRMS

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
MICHAEL F. CALLOURA  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN

## 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

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

We have audited the financial statements of governmental activities, the major fund, and the aggregate remaining fund information of the Calcasieu Parish Clerk of Court as of and for the year ended June 30, 2011, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated December 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Calcasieu Parish Clerk of Court's internal controls over financial reporting. Accordingly, we do not express an opinion on the Calcasieu Parish Clerk of Court'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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. Findings are as follow: 2011-01 (IC), 2011-02(IC), and 2011-03(IC). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Calcasieu Parish Clerk of Court, in a separate letter dated December 20, 2011.

The Calcasieu Parish Clerk of Court's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Calcasieu Parish Clerk of Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Calcasieu Parish Clerk of Court, the Calcasieu Parish Clerk of Court's management, the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "Joseph J. ...". The signature is written in a cursive style and is positioned above the date and location text.

Lake Charles, Louisiana  
December 20, 2011

CALCASIEU PARISH CLERK OF COURT  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011

1. Summary of Audit Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiency identified not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

2. Findings relating to the financial statements which are required to be reported in accordance with Governmental Auditing Standards for fiscal year ended June 30, 2011.

**Finding 2011-01: Lack of Segregation of Duties**

Condition/Criteria: The Calcasieu Parish Clerk of Court does not have adequate segregation of duties within the accounting system. The person who receives receipts also makes the daily deposits into the bank and there is no formal month end process where bank statements are reviewed by management.

Effect/Cause: The effect of lack of segregation of duties is the opportunity for errors or fraud to occur for a longer period of time before being detected.

Recommendation: There needs to be someone else taking deposits to the bank on a daily basis. Once the deposit is made the person that reconciles the deposits and enters into the system needs to make sure the deposit slip receipt totals the amount that was supposed to be deposited. Management needs to review all bank statements on a monthly basis and initial the bank reconciliations as reviewed.

Corrective Action Planned/ Management Response: The Clerk concurs with the finding and recommendation.

**Finding 2011-02: Outstanding Checks**

Condition/Criteria: Outstanding checks for advance deposit fund and general fund are checks that have been outstanding for two years or more, some dating back to 1997.

Recommendation: Outstanding checks should be investigated to determine whether such monies should be forwarded to the state treasury under the state's escheat law for advance deposit.

Corrective Action Taken: Clerk is working on sending letters to vendors and is currently starting year 2006 and will move forward as quickly as possible. The Clerk will adhere to state escheat laws in conducting this task.

CALCASIEU PARISH CLERK OF COURT  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- (Continued)  
Year Ended June 30, 2011

**Finding 2011-03: Conversion of New Software**

Condition/Criteria: Due to the conversion on the accounting software for the advance deposit fund there are differences that have resulted in reconciling the new subsidiary ledger total to the general ledger. Based on the reconciliation perform on a year by year basis, management determined that the differences will require reconciling the subsidiary ledger from the old system to the new system beginning in 2006. This issue was not solved before the audit was completed. However, the differences were not considered material.

Effect/Cause: The general ledger does not agree to the detailed subsidiary balance generated from the new software.

Recommendation: Unreconciled differences should be resolved as agreed to.

Corrective Action Taken: Clerk has begun this process of locating and reconciling the differences.

3. Findings relating to the financial statements which are required to be reported in accordance with Governmental Auditing Standards for fiscal year ended June 30, 2010.

**Finding 2010-01: Budget**

Condition/Criteria: For the year ended June 30, 2010, the original budget was not available for public inspection at least fifteen days prior to the beginning of the fiscal year.

Effect/Cause: Violation of LA R.S. 39:1306 which states budget should be available 15 days prior to the beginning of the fiscal year.

Recommendation: The Clerk will monitor the budget process carefully to ensure this is completed timely.

Corrective Action Planned/ Management Response: The Clerk concurs with the findings and recommendations.

**Finding 2010-02: Lack of Documentation for Approval of Overtime**

Condition/Criteria: Overtime pay increased substantially from the prior year and there was no consistent documentation to provide evidence from management that the additional time was approved prior to incurring the expense.

Effect/Cause: Lack of evidence of supervisory approval of overtime.

Recommendation: Management needs to develop and implement procedures and documentation standards for the approval of overtime by the appropriate supervisor before it is incurred.

Corrective Action Planned/ Management Response: The Clerk concurs with the findings and recommendations and they have been implemented. However, management felt all overtime was justified and was aware of the occurrence of the additional time.

CALCASIEU PARISH CLERK OF COURT  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- (Continued)  
Year Ended June 30, 2011

**Finding 2010-03: Advance Pay**

Condition/Criteria: Six employees were paid in advance throughout the year with four of them leaving early for company trips.

Effect/Cause: Violation of LA R.S. 7:14 which says none of the funds of the political subdivision shall not be loaned, pledged or donated to any person.

Recommendation: The clerk should not issue any payroll checks in advance.

Corrective Action Planned/ Management Response: The Clerk concurs with the finding and recommendation.

**Finding 2010-04: Reimbursements by Employees**

Condition/Criteria: Employee family members are allowed on business trips at their own expense. Personal expenses were paid for by the office credit card and though the employee made a full reimbursement it was not reimbursed on a timely fashion. The amount was less than \$200.

Effect/Cause: Violation of LA R.S. 7:14 which states that none of the funds of the political subdivision shall not be loaned, pledged or donated to any person.

Recommendation: The clerk should develop a procedure to insure that personal travel expenses of family members are not paid with the office credit card or the expense is simultaneously reimbursed and paid directly to the credit card company.

Corrective Action Planned/ Management Response: The Clerk concurs with the finding and recommendation.

**Finding 2010-05: Lack of Segregation of Duties**

Condition/Criteria: The Calcasieu Parish Clerk of Court does not have adequate segregation of duties within the accounting system. The person who receives receipts also makes the daily deposits into the bank and there is no formal month end process where bank statements are reviewed by management.

Effect/Cause: The effect of lack of segregation of duties is the opportunity for errors or fraud to occur for a longer period of time before being detected.

Recommendation: There needs to be someone else taking deposits to the bank on a daily basis. Once the deposit is made the person that reconciles the deposits and enters into the system needs to make sure the deposit slip receipt totals the amount that was supposed to be deposited. Management needs to review all bank statements on a monthly basis and initial the bank reconciliations as reviewed.

Corrective Action Planned/ Management Response: The Clerk concurs with the finding and recommendation.

CALCASIEU PARISH CLERK OF COURT  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- (Continued)  
Year Ended June 30, 2011

**Finding 2010-06: Outstanding Checks**

Condition/Criteria: Of the outstanding checks for advance deposit in the amount of \$508,500, approximately \$230,900 are checks that have been outstanding for two years or more, some dating back to 1997.

Recommendation: Outstanding checks should be investigated to determine whether such monies should be forwarded to the state treasury under the state's escheat law for advance deposit.

Corrective Action Taken: Clerk is working on sending letters to vendors and is currently starting year 2006 and will move forward as quickly as possible. The Clerk will adhere to state escheat laws in conducting this task.

**Finding 2010-07: Conversion of New Software**

Condition/Criteria: Due to the conversion on the accounting software for the advance deposit fund there are differences that have resulted in reconciling the new subsidiary ledger total to the general ledger. Based on the reconciliation perform on a year by year basis, management determined that the differences will require reconciling the subsidiary ledger from the old system to the new system beginning in 2006. Due to time constraints this issue was not solved before the audit was completed. However, the differences were not considered material.

Effect/Cause: The general ledger does not agree to the detailed subsidiary balance generated from the new software.

Recommendation: Unreconciled differences should be resolved as agreed to.

Corrective Action Taken: Clerk has begun this process of locating and reconciling the differences.