

**TERREBONNE PARISH CLERK OF COURT**  
*Houma, Louisiana*

**Annual Financial Report**  
**For the Year Ended June 30, 2008**

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

Release Date 1/14/09



**STAGNI & COMPANY, LLC**

**TERREBONNE PARISH CLERK OF COURT**  
**Annual Financial Report**  
**For the Year Ended June 30, 2008**

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**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

Our discussion and analysis of the Terrebonne Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year end. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Assets and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Assets) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

**Government-Wide Financial Statements**

One of the most important questions asked about finances is, "Is the Terrebonne Parish Clerk of Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information on the Clerk of Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

***Fund Financial Statements***

The Fund Financial Statements provide detailed information about the most significant funds—not the Clerk of Court as a whole. Some funds are required to be established by State laws.

The Clerk of Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, 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 it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

The Clerk of Court is the trustee, or fiduciary, for funds reserved by the Court and Advanced Costs collected for court expenses. All of these fiduciary activities are reported in a separate Combined Statement of Fiduciary Net Assets. We exclude these activities from the other financial statements because the Clerk of Court cannot use these assets to finance its operations. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

***FINANCIAL HIGHLIGHTS***

Our financial statements provide these insights into the results of this year's operations:

- Net assets of our governmental activities decreased by \$134,918 or approximately 12%.
- During the year, the Clerk had expenses of \$3,985,440 that were \$259,506 more than the \$3,725,934 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance of \$823,911, of which \$630,815 was classified as unreserved. This compares to the prior year ending fund balance of \$645,311 showing a decrease of \$55,296 or about 12%.

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

The Statement of Net Assets and the Statement of Activities report only one type of activity - governmental activities. All of the basic governmental services are reported as this type. Fines and fees charged to the public finance most of these activities.

**TERREBONNE PARISH CLERK OF COURT AS A WHOLE**

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

Condensed Statement of Net Assets

	FY 2008	FY 2007	Dollar Change	Total Percent Change
Current and Other Assets	\$ 823,911	\$ 861,740	\$(37,829)	-4.4%
Capital Assets	<u>340,975</u>	<u>420,598</u>	<u>(79,623)</u>	<u>-18.9%</u>
<b>Total Assets</b>	<b>1,164,886</b>	<b>1,282,338</b>	<b>(117,452)</b>	<b>-9.2%</b>
Current Liabilities	<u>178,600</u>	<u>161,133</u>	<u>17,467</u>	<u>10.8%</u>
Invested in Capital Assets	340,975	420,598	(79,623)	-18.9%
Unrestricted	<u>645,311</u>	<u>700,607</u>	<u>(55,296)</u>	<u>-7.9%</u>
<b>Total Net Assets</b>	<b><u>\$ 986,286</u></b>	<b><u>\$1,121,205</u></b>	<b><u>\$(134,919)</u></b>	<b>-12.0%</b>

The Clerk of Court's net assets decreased by \$134,919 as a result of this year's operations. The overall financial position declined during the fiscal year. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the decrease. The balance in net assets represents the accumulated results of all past years' operations.

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

Our analysis below focuses on the changes in net assets of the governmental-type activities.

Condensed Statement of Activities				
	FY 2008	FY 2007	Dollar Change	Total Percent Change
Total program expenses	\$ (3,985,440)	\$ (4,077,602)	\$ (92,162)	-2.3%
Total program revenues	<u>3,725,934</u>	<u>3,758,613</u>	<u>(32,679)</u>	<u>-0.9%</u>
<b>Net program income</b>	<u>(259,509)</u>	<u>(318,989)</u>	<u>59,480</u>	<u>-18.6%</u>
General revenues	<u>124,588</u>	<u>144,553</u>	<u>(19,965)</u>	<u>-13.8%</u>
<b>Change in Net Assets</b>	<u>(134,918)</u>	<u>(174,436)</u>	<u>39,512</u>	<u>-22.7%</u>
<b>Net Assets:</b>				
Beginning of the year	<u>1,121,204</u>	<u>1,295,641</u>	<u>(174,438)</u>	<u>-13.5%</u>
End of the year	<u>\$ 986,286</u>	<u>\$ 1,121,205</u>	<u>\$(134,919)</u>	<u>-12.0%</u>

The Clerk of Court's total revenues for the year in governmental activities were \$3,850,522 (\$3,725,934 in program revenues and \$124,588 in general revenues – interest earned). The total cost of all programs and services was \$3,985,440 with no new programs added this year.

**FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS**

As we noted earlier, the Clerk of Court uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Clerk of Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

As the Clerk of Court completed the year, its governmental fund reported a fund balance of \$645,311. This reflects a decrease of \$55,296 from last year. This decrease is primarily the result of the events and programs described within the analysis of the governmental activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the fiscal year as follows:

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

Increase (Decrease) due to:	Budgeted Amounts		Increase (Decrease)
	Original	Final	
<b>REVENUES:</b>			
Suits and successions transferred from the advanced deposit fund	\$1,380,000	\$1,122,000	(\$258,000)
Recording Fees	1,476,000	1,440,000	(36,000)
Fees in criminal cases	270,000	276,000	6,000
Certified Copies	522,000	468,000	(54,000)
Interest Earned	168,000	138,000	(30,000)
Mortgage Certificates	42,000	42,000	-
Court attendance	21,600	21,600	-
Cancellations	72,000	66,000	(6,000)
Marrage Licenses	13,800	13,800	-
Notorial Fees	48,000	48,000	-
Other	247,500	237,900	(9,600)
<b>Total Revenues</b>	<b>4,260,900</b>	<b>3,873,300</b>	<b>(387,600)</b>
<b>EXPENDITURES:</b>			
Salaries and benefits	2,575,526	2,479,526	(96,000)
Office supplies and expenses	377,600	361,400	(16,200)
Insurance	834,500	778,500	(56,000)
Travel and Clerk's Expense	7,200	7,200	-
Other	150,120	150,120	-
<b>Total Current</b>	<b>3,944,946</b>	<b>3,776,746</b>	<b>(168,200)</b>
Capital Outlay	180,000	120,000	(60,000)
<b>Total Expenditures</b>	<b>4,124,946</b>	<b>3,896,746</b>	<b>(228,200)</b>
Net Change in Fund Balance	135,954	(23,446)	(159,400)
<b>FUND BALANCE:</b>			
Beginning	913,256	700,607	(212,649)
Ending	\$1,049,210	\$ 677,161	\$(372,049)

**CAPITAL ASSETS**

Capital assets included furniture and fixtures, office equipment, automobiles and leased equipment recorded at historical cost of \$1,629,782. Accumulated depreciation of \$1,288,807 recorded from the cost of assets resulted in an ending book balance of assets of \$340,975.

This year there were \$27,258 of office furniture and equipment (mostly computers and printers) of additions, and no deletions recorded to capital assets. Depreciation expense of \$106,880 was recorded for the year. More detailed information about the capital assets is presented in Note 5 to the financial statements.

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

**LONG TERM OBLIGATIONS**

The Clerk of Court had no long-term obligations at June 30, 2008.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Clerk of Court considered many factors when budgeting for the next year, including increased or decreased rates and fees to be charged. Another one of those factors is the new laws and regulations.

Condensed Summary of Budgeted Finances

	<u>FY 2009</u>
Anticipated revenues	\$ 4,499,100
<b>Expenditures:</b>	
Current	4,038,146
Capital outlay	<u>220,000</u>
Anticipated expenditures	<u>4,258,146</u>
Excess of revenues	240,954
<b>Fund Balance:</b>	
Beginning of the year	<u>677,161</u>
End of the year	<u><u>\$ 918,115</u></u>

The following assumptions are used to compile the 2008-2009 budget:

- The salary of the Clerk of Court is fixed by Statute and will remain at \$98,000.
- There will be a salary increase of 7% for certification.
- \$435,000 is included to cover the contribution by the office to the Employee Retirement Fund (11.5% of the employer portion and 8.25% of the employee portion).
- \$7,200 is budgeted for the purchase of new uniforms for employees.
- \$170,000 is budgeted for the estimated cost of the providing for upgrade to windows based applications for Civil and Suits and Jury departments.

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of our finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact:

Honorable I. Robert Boudreaux  
Terrebonne Parish Clerk of Court  
P.O. Box 1569  
Houma, LA 70361  
985-868-5660



**Financial Section**



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable I. Robert Boudreaux  
Terrebonne Parish Clerk of Court  
Houma, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Terrebonne Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Terrebonne Parish Clerk of Court  
Houma, Louisiana  
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In accordance with Government Auditing Standards, we have also issued a report dated December 1, 2008, on our consideration of the Terrebonne Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the 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. The Management's Discussion and Analysis and the Required Supplementary Information is the responsibility of the management of the Terrebonne Parish Clerk of Court. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Stagni & Company*

Thibodaux, LA  
December 1, 2008



**TERREBONNE PARISH CLERK OF COURT**

*Statement of Net Assets*

June 30, 2008

<u>ASSETS</u>	<b>General Fund</b>
Cash and cash equivalents	\$ 199,465
Investments	370,000
Receivables	159,783
Due from Agency Funds	80,167
Prepaid Insurance	14,496
Capital assets, net of accumulated depreciation	<u>340,975</u>
 Total assets	 <u>1,164,886</u>
 <u>LIABILITIES</u>	
<b>Current:</b>	
Accounts payable and accrued expenses	178,600
 Total liabilities	 <u>178,600</u>
 <u>NET ASSETS</u>	
Invested in Capital Assets	340,975
Unrestricted	<u>645,311</u>
 Total net assets	 <u>\$ 986,286</u>

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**

*Statement of Activities  
For the Year Ended June 30, 2008*

<u>EXPENSES</u>	
Salaries and benefits	\$ 2,496,337
Office supplies and expense	406,919
Insurance	842,567
Travel and Clerk's Expense	1,804
Other	130,933
Depreciation	<u>106,880</u>
Total program expenses	<u>3,985,440</u>
 <u>PROGRAM REVENUES</u>	
Charges for services	<u>3,725,934</u>
Total program revenues	<u>3,725,934</u>
 Net Program (Income) Expense	 (259,506)
 <u>GENERAL REVENUES</u>	
Interest earned	<u>124,588</u>
Total general revenues	<u>124,588</u>
 Change in Net Assets	 (134,918)
 <u>NET ASSETS</u>	
Beginning of year	<u>1,121,204</u>
End of year	<u>\$ 986,286</u>

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**

*Balance Sheet - Governmental Fund*

*June 30, 2008*

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	\$ 199,465
Investments	370,000
Receivables	159,783
Due from Agency Funds	80,167
Prepaid Expenses	<u>14,496</u>
 Total assets	 <u>\$ 823,911</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
 Accounts payable and accrued expenses	 \$ 178,600
 Total liabilities	 <u>178,600</u>
Fund Balance :	
Reserved for Prepaid Expenditures	14,496
Unreserved - undesignated	<u>630,815</u>
Total fund balance	<u>645,311</u>
 Total liabilities and fund balances	 <u>\$ 823,911</u>

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**  
*Reconciliation of the Balance Sheet- Governmental Fund  
to the Statement of Net Assets  
June 30, 2008*

Total fund balance - governmental fund (Fund Financial Statement) \$645,311

Amounts reported for *governmental activities* in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in governmental funds.

Cost	\$ 1,629,782	
Accumulated Depreciation	<u>(1,288,807)</u>	
		<u>340,975</u>

Total net assets of governmental activities	<u>\$986,286</u>
(Government-Wide Financial Statements)	

See notes to the financial statements.

**TERREBONNE PARISH CLERK OF COURT**  
*Statement of Revenues, Expenditures and Changes in Fund Balance*  
*Governmental Fund - General Fund*  
*For the Year Ended June 30, 2008*

**Revenues**

Suits and successions transferred from the Advance Deposit Fund	\$ 1,110,563
Recording fees	1,463,916
Fees in criminal cases	270,731
Certified copies	468,277
Interest earned	124,588
Mortgage certificates	39,297
Court attendance	20,120
Cancellations	65,454
Marriage licenses	10,553
Notarial fees	48,093
Other	228,930
<b>Total revenues</b>	<u><u>3,850,522</u></u>

**Expenditures**

<b>Current - Judiciary:</b>	
Salaries and benefits	2,496,337
Office supplies and expense	406,919
Insurance	842,567
Travel and Clerk's Expense	1,804
Other	130,933
<b>Total current expenditures</b>	<u>3,878,560</u>
Capital outlay	27,258
<b>Total expenditures</b>	<u><u>3,905,818</u></u>

Excess (deficiency) of revenues over expenditures	(55,296)
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**Fund Balances**

Beginning of year	700,607
End of year	<u><u>\$ 645,311</u></u>

See notes to financial statements.



**TERREBONNE PARISH CLERK OF COURT**

*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, 2008*

Net change in fund balance - governmental fund (Fund Financial Statements) \$ (55,296)

Amounts reported for *governmental activities* in the statement of activities  
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 asset.

Asset purchases capitalized	\$ 27,258	
Depreciation expense	<u>(106,880)</u>	<u>(79,622)</u>

Change in net assets of governmental activities (Government -Wide Financial Statements)	<u><u>\$ (134,918)</u></u>
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See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**

*Combining Statement of Fiduciary Net Assets*

*June 30, 2008*

	<b>Advance Deposit Fund</b>	<b>Registry of the Court Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 979,042	\$ 3,798,535	\$ 4,777,577
Investments	2,649,169		2,649,169
Accounts receivable	12,105		12,105
<b>Total assets</b>	<b>\$ 3,640,316</b>	<b>\$ 3,798,535</b>	<b>\$ 7,438,851</b>
<b>LIABILITIES</b>			
Due to governmental funds	\$ 79,008	\$ 1,160	\$ 80,168
Due to others	3,561,308	3,797,375	7,358,683
<b>Total liabilities</b>	<b>\$ 3,640,316</b>	<b>\$ 3,798,535</b>	<b>\$ 7,438,851</b>

See notes to the financial statements.

# **TERREBONNE PARISH CLERK OF COURT**

## *Notes to Financial Statements*

For the Year Ended June 30, 2008

### **INTRODUCTION**

The Clerk of Court (LSA-RS 13:781) serves as the parish recorder of conveyances, mortgages, notary public, et cetera. As provided by Article 5, Section 28 of the Louisiana Constitution of 1974, The Clerk of Court serves a four-year term of office. The current term expires June 30, 2008. The Clerk may appoint deputies with duties and powers provided by law, with the approval of the district judge.

The financial statements of the Terrebonne Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used is discussed below.

#### **Note 1**

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Reporting Entity**

As the governing authority of the parish, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The Consolidated Government maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the Terrebonne Parish Consolidated Government, the clerk of court was determined to be a component unit of the Terrebonne Parish Consolidated Government, 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 Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

## **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2008

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

#### **B.      Basic Financial Statements**

##### **Government-Wide Financial Statements (GWFS)**

The Clerk of Court's basic financial statements include both government-wide (reporting the entity as a whole) and fund financial statements (reporting the entity's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type.

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Clerk of Court's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Clerk of Court first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Clerk of Court's functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if any. The net costs by function are normally covered by general revenue (interest income, etc).

This government-wide focus is more on the sustainability of the Clerk of Court as an entity and the change in its net assets resulting from the current year's activities.

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

## **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2008

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

#### **B.      Basic Financial Statements (Continued)**

##### **Fund Financial Statements (FFS)**

The financial transactions of the Clerk of Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

##### **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 that may be used to finance future period programs or operations of the Clerk of Court. The following are the clerk's governmental funds:

##### General Fund

The General Fund (Salary 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.

##### Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The Advance Deposit and Registry of Court - Agency Funds account for assets held as an agent for others.

# TERREBONNE PARISH CLERK OF COURT

## Notes to Financial Statements

For the Year Ended June 30, 2008

### Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

#### C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Accrual:** The governmental-type activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Modified Accrual:** The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

#### D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and cash on hand. Cash equivalents include time deposits maturing within 90 days. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

#### E. Investments

Investments are limited by Louisiana Revised Statute 25 33:2955 and the Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities of investments are 90 days or less, they are classified as cash and cash equivalents. The Clerk's investments consist of time deposits with maturities between 91 and 270 days.

**TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2008

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**F. Capital Assets**

Capital assets purchased or acquired with a cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture & Fixtures	10 years
Automobiles	5 years
Leased Equipment	5 years

**G. Interfund Activities**

The Clerk of Court transfers interest earned on the investments of the Advance Deposit Fund to the Salary Fund to be utilized by the Salary Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

**H. Clerk's Fees Transferred from Advance Deposit Agency Fund**

These fees represent revenue to the Clerk of Court earned from everyday operations such as filing suits, preparing notices, etc. for litigants. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the Salary Fund.

**I. Budgetary Practices**

1. Prior to the beginning of each fiscal year, the Clerk of Court prepares and approves a formal budget for the General Fund based upon estimated revenues and proposed expenditures for the coming year using the modified accrual basis of accounting.
2. The proposed budget is published in the official journal of the Parish of Terrebonne and is presented to the public for review and inspection, after which it is finalized and adopted by the elected Clerk of Court of Terrebonne Parish.

## **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*  
For the Year Ended June 30, 2008

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

#### **I. Budgetary Practices (continued)**

3. A certified copy of the budget is then filed with the Chief Executive or Administrative Officer of the Terrebonne Parish Consolidated Government.
4. Any amendments to the budget are published in the Clerk of Court's official journal.
5. Budgetary integration is employed as a management tool.
6. Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk of Court.

#### **J. Compensated Absences**

The employees of the Clerk of Court are allowed a fixed number of days for vacation and sick leave each year. This policy does not provide for the accumulation or vesting of leave. Accordingly, the Clerk of Court has recorded no accrual for employee leave benefits.

#### **K. Restricted Net Assets**

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

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

#### **L. Fund Equity Reservations**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office, which amount shall be limited to no more than that which was received by the clerk in accordance with R.S. 1784 (A) during said term in office. At June 30, 2008, there was no amount due the parish treasurer in accordance with the statute.



## **TERREBONNE PARISH CLERK OF COURT**

### *Notes to Financial Statements*

For the Year Ended June 30, 2008

#### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

##### **M.      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 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.

#### **Note 2      DEPOSITS AND INVESTMENTS**

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The Clerk of Court has balances of deposits at year-end as follows:

	Balances	
	Reported	Bank
Cash and cash equivalent	\$4,977,042	\$5,350,242
Certificates of deposit	3,019,169	3,019,169
<b>Totals</b>	<b>\$7,996,211</b>	<b>\$ 8,369,412</b>

Custodial credit risk is the risk that in the event of a bank failure, the Clerk's deposits may not be returned to it. The Clerk does not have a written policy for custodial credit risk. As of year-end \$6,869,412 of the Clerk's bank balance of \$8,369,412 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Clerk's name.

**TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2008

**Note 2                      DEPOSITS AND INVESTMENTS (continued)**

At year-end, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositors. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3                      RECEIVABLES**

Receivable balances are as follows:

Class of Receivables	Salary Fund	Agency Funds Advanced Cost
Accounts	\$ 94,486	
Interest	3,378	\$ 12,105
Fees in criminal cases	15,107	
Support enforcement	46,812	
<b>Totals</b>	<b>\$ 159,783</b>	<b>\$ 12,105</b>

**Note 4                      INTERFUND ASSETS/LIABILITIES**

The balances receivable from/payable to General Fund, Advance Deposit Fund, and Registry of the Court are as follows:

	Receivables	Payables
General Fund	\$ 80,167	
Advance Deposit		\$79,007
Registry of the Court		1,160
<b>Totals</b>	<b>\$ 80,167</b>	<b>\$80,167</b>

**TERREBONNE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2008

**Note 5 CAPITAL ASSETS**

Capital assets and depreciation activity for the year follows:

Cost	Furniture & Office Equipment				Leased Equipment	TOTALS
	Fixtures	Equipment	Autos	Equipment		
Beginning Balance	\$ 421,899	\$1,026,993	\$17,009	\$ 136,624		\$1,602,524
Additions	523	26,735	-	-		27,258
Deletions	-	-	-	-		-
<b>Total Cost</b>	<b>422,422</b>	<b>1,053,728</b>	<b>17,009</b>	<b>136,624</b>		<b>1,629,782</b>
<b>Accumulated Depreciation</b>						
Beginning Balance	277,820	750,474	17,009	136,624		1,181,926
Additions	18,353	88,527	-	-		106,880
Deletions	-	-	-	-		-
<b>Total Accumulated Depn</b>	<b>296,173</b>	<b>839,002</b>	<b>17,009</b>	<b>136,624</b>		<b>1,288,807</b>
<b>Net Capital Assets</b>	<b>\$ 126,249</b>	<b>\$ 214,726</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 340,975</b>
<b>Current Depreciation</b>	<b>\$ 18,353</b>	<b>\$ 88,527</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 106,880</b>

**Note 6 POST-RETIREMENT BENEFITS**

The Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid entirely by the Clerk of Court. For the year ending June 30, 2008, the cost of the benefits for 10 retirees totaled \$59,721.

## **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*  
For the Year Ended June 30, 2008

### **Note 7 EMPLOYEE RETIREMENT SYSTEM**

Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Contributions of participating clerks are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All regular employees earning a minimum of \$ 500 per month and who are under the age of 60 at the time of original employment are eligible to participate in the system. The System also provides death and disability benefits. Benefits are established 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 (225) 293-1162.

**Funding Policy.** Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The actuarially determined rate was 8 percent of annual covered payroll for the year ending June 30, 2008. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established as amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

Effective July 1, 1999, the Louisiana Senate passed Bill #556 allowing the individual Clerk's of Court to elect to pay both the employee and employer contributions into this retirement system. The Terrebonne Parish Clerk of Court has elected to do so for the year ending June 30, 2006, 2007, and 2008.

The Clerk of Court's contribution for the years ending June 30, 2006, 2007 and 2008 were \$449,608 (19.75% of covered payroll), \$469,460 (19.75% of covered payroll), and \$377,586 (19.75% of covered payroll) respectively, which were equal to the required contributions for each year.

**TERREBONNE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2008

**Note 8      LITIGATION**

There is no litigation pending against the Clerk of Court's office that is required to be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

**Note 9      RISK MANAGEMENT**

**GENERAL LIABILITY INSURANCE**

The Clerk of Court is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court purchases commercial insurance policies for any and all claims relating to the above types of risks.

The Clerk's payment of the deductible is the only liability associated with these insurance policies. There has been no significant reduction in insurance coverage in the prior year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

**HEALTH INSURANCE**

The Clerk of Court provides health and life insurance to employees through the Louisiana Clerk of Court Association. Under this insurance program, the Clerk pays initial premiums based on the level of the employee's participation and has no further liabilities on any claims.

*Required Supplemental Information*

**TERREBONNE PARISH CLERK OF COURT**

*Budgetary Comparison Schedule - General Fund*

*For the Year Ended June 30, 2008*

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Suits and successions transferred				
from the Advance Deposit Fund	\$1,380,000	\$1,122,000	\$1,110,563	\$ (11,437)
Recording fees	1,476,000	1,440,000	1,463,916	23,916
Fees in criminal cases	270,000	276,000	270,731	(5,269)
Certified copies	522,000	468,000	468,277	277
Interest earned	168,000	138,000	124,588	(13,412)
Mortgage certificates	42,000	42,000	39,297	(2,703)
Court attendance	21,600	21,600	20,120	(1,480)
Cancellations	72,000	66,000	65,454	(546)
Marriage licenses	13,800	13,800	10,553	(3,247)
Notarial fees	48,000	48,000	48,093	93
Other	247,500	237,900	228,930	(8,970)
<b>Total revenues</b>	<b>4,260,900</b>	<b>3,873,300</b>	<b>3,850,522</b>	<b>(22,778)</b>
<b>Expenditures</b>				
<b>Current-Judiciary:</b>				
Salaries and benefits	2,575,526	2,479,526	2,496,337	(16,811)
Office supplies and expense	377,600	361,400	406,919	(45,519)
Insurance	834,500	778,500	842,567	(64,067)
Travel and Clerk's Expense	7,200	7,200	1,804	5,396
Other	150,120	150,120	130,933	19,187
<b>Total current expenditures</b>	<b>3,944,946</b>	<b>3,776,746</b>	<b>3,878,560</b>	<b>(101,814)</b>
<b>Capital outlay</b>	<b>180,000</b>	<b>120,000</b>	<b>27,258</b>	<b>92,742</b>
<b>Total expenditures</b>	<b>4,124,946</b>	<b>3,896,746</b>	<b>3,905,818</b>	<b>(9,072)</b>
Excess (deficiency) of revenues over expenditures	135,954	(23,446)	(55,296)	(31,850)
<b>Fund Balances</b>				
Beginning of year	913,256	700,607	700,607	-
End of year	<u>\$1,049,210</u>	<u>\$ 677,161</u>	<u>\$ 645,311</u>	<u>\$ (31,850)</u>

*Reports Required by  
Government Auditing Standards*





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Honorable I. Robert Boudreaux  
Terrebonne Parish Clerk of Court  
Houma, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of the Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements and have issued our report thereon dated December 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Terrebonne 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

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

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

### **Compliance and Other Matters**

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

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

*Stagni & Company*

Thibodaux, Louisiana  
December 1, 2008

**TERREBONNE PARISH CLERK OF COURT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended June 30, 2008*

We have audited the financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of the Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements and have issued our report thereon dated December 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements 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	<b>No</b>
Significant Deficiencies	<b>No</b>

**Compliance**

Compliance Material to Financial Statements	<b>No</b>
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*b. Federal Awards* **N/A – NO FEDERAL AWARDS RECEIVED**

**Internal Control**

Material Weaknesses	<b>N/A</b>
Significant Deficiencies	<b>N/A</b>

Type of Opinion On Compliance	Unqualified <input type="checkbox"/> Qualified <input type="checkbox"/>
For Major Programs	Disclaimer <input type="checkbox"/> Adverse <input type="checkbox"/>
Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?	<input type="checkbox"/> Yes <input type="checkbox"/> No

*c. Identification of Major Programs* **N/A – NO FEDERAL AWARDS RECEIVED**

CFDA Number (s)	Name of Federal Program (or Cluster)
-----------------	--------------------------------------

Dollar threshold used to distinguish between Type A and Type B Programs: \$\_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?  Yes  No

**Section II - Financial Statement Findings**

**NONE**

**Section III - Federal Award Findings and Questioned Costs**

**N/A – NO FEDERAL AWARDS RECEIVED**

