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WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Financial Statements

June 30, 2006

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Release Date 1/17/07

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Financial Statements
As of and For the Year Ended June 30, 2006

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INDEPENDENT AUDITORS' REPORT

Webster Parish Clerk of Court
Minden, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Webster Parish Clerk of Court as of and for the year ended June 30, 2006, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Webster Parish Clerk of Court management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 opinions.

The agency funds of the Webster Parish Clerk of Court account for money received from numerous outside parties, the completeness of which is not susceptible to satisfactory audit verification. These monies are deposited by litigants and held for the payment of civil court costs or are by court order required to be held by the Clerk of Court until a specific lawsuit is settled. Accordingly, our verification of the additions to the Clerk's agency funds was limited to the amounts recorded in the records of the Webster Parish Clerk of Court and we were unable to determine whether any adjustments for unrecorded additions to the *Advance Deposit and Registry of Court Funds* might be necessary.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain information to satisfy ourselves as to the completeness of additions as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Webster Parish Clerk of Court, as of June 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Webster Parish Clerk of Court, as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2006, on our consideration of the Webster Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 27 through 28, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Jamieson, Wise & Martin

Minden, Louisiana
December 21, 2006

**WEBSTER PARISH CLERK OF COURT
MINDEN, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management discussion and analysis of the Webster Parish Clerk of Court's financial performance provides an overview of the Clerk of Court's financial activities for the year ended June 30, 2006, in an easily readable analysis. Please read it in conjunction with our financial statements, which begin on page 8. The financial statements have been audited as of June 30, 2006 and for the year then ended, as required by state law.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements that reflect the operations of the Clerk of Court as a whole and its individual funds. The Statement of Net Assets and the Statements of Activities (on pages 8 and 9) provide information about the activities of the Clerk of Court as a whole and present a longer-term view of the Clerk of Court's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Clerk of Court's operations in more detail than the government-wide statements by providing information about the Clerk of Court's most significant funds.

Reporting the Clerk of Court as a Whole – Government-Wide Financial Statements (GWFS)

Our analysis of the Clerk of Court as a whole begins on page 8. The government-wide financial statements are designed to provide the reader with a broad overview of the Clerk of Court's finances, similar to the format of a private-sector business. They present the financial picture of the Clerk from an economic resources measurement focus using the accrual basis of accounting. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents information on all the Clerk's assets and liabilities, with the difference between the two reported as net assets. You can think of the Clerk of Court's net assets as one way to measure the Clerk of Court's financial health, or *financial position*. Over time, *increases* or *decreases* in the Clerk of Court's net assets are one indicator of whether its *financial health* is improving or deteriorating.

The Statements of Activities reports how net assets changed during the year.

Reporting the Clerk of Court's Most Significant Funds – Fund Financial Statements (FFS)

Our analysis of the major fund maintained by the Clerk of Court begins on page 10. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to satisfy compliance with finance-related legal requirements established by external parties or governmental statutes or regulations. The Clerk uses two categories of funds: 1) governmental funds and 2) fiduciary funds.

Governmental funds - All of the Clerk of Court's 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 the *modified accrual* accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Clerk of Court's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Clerk of Court expenses. 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 on pages 11 and 13. The Clerk uses one governmental fund, the general fund, to account for its operations.

Fiduciary funds - Fiduciary fund reporting focuses on net assets and changes in net assets except for agency funds. The only funds accounted for in this category by the Clerk are agency funds. The Advance Deposit and Registry of Court Funds account for assets held by the Clerk as an agent for litigants pending court action. These funds are custodial in nature and do not involve measurement of operations. The Statement of Net Assets for the Clerk's agency funds can be found on page 14.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Clerk of Court's net assets at June 30, 2006 and 2005 are summarized below.

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 473,210	\$ 517,434
Net capital assets	<u>175,832</u>	<u>176,311</u>
Total assets	<u>649,042</u>	<u>693,745</u>
Current liabilities	104,399	80,412
Long-term liabilities	<u>52,615</u>	<u>58,602</u>
Total liabilities	<u>157,014</u>	<u>139,014</u>
Net assets:		
Investments in capital assets, net of related debt	57,355	74,245
Unrestricted	<u>434,673</u>	<u>480,486</u>
Total net assets	<u>\$ 492,028</u>	<u>\$ 554,731</u>

For the fiscal year ended June 30, 2006 the net assets of the Clerk of Court's governmental activities decreased by \$62,703 or approximately 11%.

Cash and investments of \$396,292 and \$454,930 comprise the largest components of total assets as of June 30, 2006 and 2005, respectively. These amounts represent 61.06% and 65.58% of total assets. The net capital assets are comprised of non-liquid assets and cannot be utilized to satisfy the Clerk's obligations. The \$58,638 decrease in cash during 2006 is primarily due to capital lease payments of \$74,050.

Long-term liabilities represent two capital lease obligations for the purchase and installation of software and hardware upgrades to the Clerk of Court's computer systems.

A condensed Statements of Activities is presented below.

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Revenues and extraordinary items:		
Program revenues		
Charges for services and licenses	\$ 1,057,028	\$ 1,098,824
Operating grants & contributions	17,650	15,850
General Revenues		
Interest earnings	17,078	13,252
Miscellaneous revenues	383	1,443
Extraordinary items	<u>33,600</u>	<u>50,973</u>
Total revenues and extraordinary items	1,125,739	1,180,342
Expenses:		
Personnel services and related benefits	857,822	852,593
Operating services	107,141	102,643
Materials and supplies	148,588	151,801
Interest on long term debt	18,673	16,500
Other expenses	<u>56,218</u>	<u>52,640</u>
Total expenses	<u>1,188,442</u>	<u>1,176,177</u>
Increase (decrease) in net assets	<u>\$ (62,703)</u>	<u>\$ 4,165</u>

As described in more detail in Note 9 of the financial statements, extraordinary items represent court ordered restitution and other payments received from the former Clerk of Court.

THE CLERK OF COURT'S FUNDS

The general fund reported a fund balance of \$446,302 and \$491,994 as of June 30, 2006 and 2005, respectively. During the year ending June 30, 2006, the fund balance of the general fund decreased by \$45,692. The details of these changes are presented in the Statements of Revenues, Expenditures, and Changes in Fund Balances on page 12.

General Fund Budgetary Highlights

The Clerk of Court adopted a budget for its General Fund for the year ending June 30, 2006. The budgets were not amended during the year. The budgetary comparisons are presented as required supplementary information beginning on page 27. Highlights of the general fund budget for the year are as follows:

- For the year ending June 30, 2006, actual revenues exceeded budgeted revenues by \$20,715 primarily because of an increase in civil suit filings.
- For the year ending June 30, 2006, actual expenditures exceeded budgeted expenditures by \$28,431. Actual expenditures exceeded budgeted amounts by \$19,493 for operating services and \$1,070 for travel and professional development. Expenditures for personnel services and related benefits and for materials and supplies were \$5,984 and \$21,530 below budgeted amounts, respectively.
- Expenditures for capital expenses including lease payments were \$35,382 in excess of budgeted amounts due to an additional capital lease incurred during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following summarizes the Clerk's investment in capital assets at June 30, 2006 and 2005:

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Furniture and fixtures	\$ 124,470	\$ 124,470
Equipment	370,139	321,970
Vehicles	<u>24,061</u>	<u>24,061</u>
Total capital assets	518,670	470,501
Less: accumulated depreciation	<u>(342,838)</u>	<u>(294,190)</u>
Net capital assets	175,832	176,311
Less: related debt	<u>(118,477)</u>	<u>(102,066)</u>
Invested in capital assets	<u>\$ 57,355</u>	<u>\$ 74,245</u>

\$48,169 in capital assets were added during fiscal year June 30, 2006. Depreciation for the year 2006 was \$48,648. The additions were for a major computer hardware and software system upgrade to the Clerk of Court's Civil Suit system.

More detailed information about the capital assets is presented in Note 10 to the financial statements.

Long-Term Debt

The following summarizes the Clerk's long-term debt activity:

	<u>Capital Lease Obligations</u>	
	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 102,066	\$ 140,106
Additions	71,788	-
Principal payments	<u>(55,377)</u>	<u>(38,040)</u>
Balance, end of year	<u>\$ 118,477</u>	<u>\$ 102,066</u>

The addition to capital leases of \$71,788 was for the upgrading of the Clerk of Court's Civil Suit computer system.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Clerk of Court's management considered many factors when setting a fiscal year June 30, 2006 budget. Budgeted revenues are projected to remain comparative to prior years. Budgeted expenses are expected to increase by approximately \$35,000.

CONTACTING THE CLERK OF COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Clerk of Court and to show the Clerk of Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Holli Vining, Webster Parish Clerk of Court, P.O. Box 370, Minden, Louisiana 71058-0370.

Government Wide Financial Statements

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Statement of Net Assets
June 30, 2006

	<u>Governmental Activities</u> <u>2006</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 96,292
Investments	300,000
Accounts receivable	24,920
Due from other funds	36,112
Due from other governmental units	15,886
Total current assets	<u>473,210</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>175,832</u>
TOTAL ASSETS	<u>\$ 649,042</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 10,203
Accrued payroll taxes and withholdings	14,358
Accrued compensated absences	11,629
Due to other funds	141
Due to other governmental units	2,206
Capital lease obligation - due within one year	65,862
Total current liabilities	<u>104,399</u>
Noncurrent liabilities:	
Capital lease obligation - due in more than one year	<u>52,615</u>
TOTAL LIABILITIES	<u>\$ 157,014</u>
NET ASSETS	
Invested in capital assets, net of related debt	57,355
Unrestricted	<u>434,673</u>
TOTAL NET ASSETS	<u>\$ 492,028</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Statement of Activities
For the Year Ended June 30, 2006

	<u>Governmental Activities</u>
	<u>2006</u>
EXPENSES	
General government:	
Personnel services and related benefits	\$ 857,822
Travel and professional development	7,570
Operating services	107,141
Materials and supplies	148,588
Interest on long term debt	18,673
Depreciation	48,648
Total expenses	1,188,442
PROGRAM REVENUES	
Fees, charges and commissions -	
Civil suits	\$ 327,898
Juvenile fees	48,579
Court attendance	6,560
Criminal fees	89,363
Notarial fees	50
Candidate and election fees	7,110
Copies (certified and photocopy)	103,442
Fees for recording legal documents -	
Recordings	430,200
Cancellations	27,088
Mortgage certificates	6,955
Marriage licenses	9,783
Clerk's supplemental fund	17,650
Total Program Revenues	1,074,678
Net Program Expense	(113,764)
GENERAL REVENUES	
Interest	17,078
Miscellaneous	383
EXTRAORDINARY ITEMS	
Restitution received	33,600
 Total general revenues and extraordinary items	 51,061
 CHANGE IN NET ASSETS	 (62,703)
Net Assets - Beginning of year	554,731
Net Assets - End of year	\$ 492,028

The accompanying notes are an integral part of this statement.

Fund Financial Statements

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Balance Sheet
Governmental Fund
June 30, 2006

	<u>General Fund</u> <u>2006</u>
ASSETS	
Cash and cash equivalents	\$ 96,292
Investments	300,000
Accounts receivable	24,920
Due from other funds	36,112
Due from other governmental units	<u>15,886</u>
TOTAL ASSETS	<u><u>\$ 473,210</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 10,203
Accrued payroll taxes and withholdings	14,358
Due to other funds	141
Due to other governmental units	<u>2,206</u>
Total Liabilities	<u>26,908</u>
Fund balances:	
Unreserved	<u>446,302</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 473,210</u></u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets
June 30, 2006

	<u>2006</u>
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Fund Balance, Total Governmental Fund	\$ 446,302
Compensated absences not due and payable in the current period and therefore not reported in the governmental fund	(11,629)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	175,832
Capital lease obligation not due and payable in the current period and, therefore, is not reported in the governmental fund:	<u>(118,477)</u>
Net Assets of Governmental Activities	<u>\$ 492,028</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund

For the Year Ended June 30, 2006

	<u>General Fund</u>
	<u>2006</u>
REVENUES	
Fees, charges and commissions -	
Civil suits	\$ 327,898
Juvenile fees	48,579
Court attendance	6,560
Criminal fees	89,363
Notarial fees	50
Candidate and election fees	7,110
Copies (certified and photocopy)	103,442
Fees for recording legal documents -	
Recordings	430,200
Cancellations	27,088
Mortgage certificates	6,955
Marriage licenses	9,783
Interest	17,078
Clerk's supplemental fund	17,650
Miscellaneous	383
Total Revenues	<u>1,092,139</u>
EXPENDITURES	
General government:	
Personnel services and related benefits	857,701
Travel and professional development	7,570
Operating Services	107,141
Materials and supplies	124,969
Capital lease - principal	55,377
Capital lease - interest	18,673
Capital Outlay	71,788
Total Expenditures	<u>1,243,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(151,080)</u>
OTHER FINANCING SOURCES (USES)	
Capital leases	71,788
EXTRAORDINARY ITEMS	
Restitution received	33,600
Total extraordinary items	<u>33,600</u>
Net Increase (Decrease) in Fund Balances	(45,692)
Fund balances -- beginning of the year, as restated	<u>491,994</u>
Fund balances -- ending of the year	<u>\$ 446,302</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental
Fund to the Statement of Activities
Year Ended June 30, 2006

Amounts reported for governmental activities in the Statement of Net Assets are different because:

	<u>2006</u>
Net increase (decrease) in fund balances - total governmental fund	\$ (45,692)
Capital outlay costs which are reported as expenditures in fund financials but which are allocated over their estimated useful lives as depreciation expense in the Government Wide Statement of Activities	48,169
Depreciation expense for the year ended not shown in fund financials	(48,648)
Changes in compensated absences that do not require the use of current financial resources are not reported as expenditures in the fund financials	(121)
Capital lease financing shown as an other financing source in the fund financials but which increases long-term liabilities in the Government Wide Statement of Activities	(71,788)
Repayments of long term capital leases shown as expenditures in the fund financials but which reduce long term liabilities in the Government Wide Statement of Net Assets	<u>55,377</u>
Increase (decrease) of net assets of governmental activities	<u>\$ (62,703)</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Statement of Fiduciary Net Assets
Agency Funds
June 30, 2006

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 331,665	462,050	793,715
Investments	125,000	-	125,000
Miscellaneous receivable	-	4	4
Due from other funds	<u>-</u>	<u>141</u>	<u>141</u>
Total assets	<u>\$ 456,665</u>	<u>462,195</u>	<u>918,860</u>
LIABILITIES			
Due to other funds	\$ 36,112	-	36,112
Due to other governments	6,653	-	6,653
Accounts Payable	17,879	-	17,879
Unsettled deposits	<u>396,021</u>	<u>462,195</u>	<u>858,216</u>
	<u>\$ 456,665</u>	<u>462,195</u>	<u>918,860</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

INTRODUCTION

The Webster Parish Clerk of Court is an independently elected parish official who serves a term of four years. Article V, Section 28 of the Louisiana Constitution of 1974, provides for the Clerk of Court to serve as ex-officio notary public, to record conveyances, mortgages and other acts, and to hold other duties and powers provided by law.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Webster Parish Clerk of Court's financial statements are prepared in conformity with *generally accepted accounting principles (GAAP)*. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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*. The more significant accounting policies established in GAAP and used by the Webster Parish Clerk of Court are discussed below.

B. REPORTING ENTITY

For financial reporting purposes, in conformance with Statement No. 14 of the Governmental Accounting Standards Board, the Clerk of Court includes all funds, activities, et cetera, that are within the oversight responsibility of the Clerk of Court as an independently elected parish official. Certain units of local government over which the Clerk exercises no oversight responsibility, such as the parish police jury, the parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Webster Parish Clerk of Court.

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The Webster Parish Clerk of Court's basic financial statements include both government-wide (reporting the funds maintained by the Webster Parish Clerk of Court as a whole) and fund financial statements (reporting the Webster Parish Clerk of Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the Webster Parish Clerk of Court's activities are categorized as governmental activities. The Webster Parish Clerk of Court does not have any business-type activities.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

In the government-wide Statement of Net Assets, the governmental activities column is 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 Webster Parish Clerk of Court's net assets are reported in two parts - invested in capital assets, net of related debt, and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Webster Parish Clerk of Court's functions. The functions are also supported by general government revenues (certain intergovernmental revenues, interest from deposits, extraordinary items, etc.). 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 capital grants reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue.

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

D. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The Webster Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is defined as a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The following fund types are used by the Webster Parish Clerk of Court:

Governmental Funds – The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Webster Parish Clerk of Court:

General fund - the general operating fund of the Webster Parish Clerk of Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds – Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Clerk of Court. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk of Court as an agent for litigants pending court action. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations, therefore a Statement of Changes in Fiduciary Net Assets is not presented.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

The emphasis in fund financial statements is on the major funds in the governmental fund type category. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures /expenses of fund category) for the determination of major funds. The general fund is always considered a major fund and is therefore the Clerk of Court's only major fund.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures 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 funds in the government-wide 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 funds and agency funds in the fund financial statements are presented on the modified accrual basis of accounting. Under 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, and expenditures related to compensated absences is recognized when due.

F. BUDGETS

The proposed budget for the fiscal year is made available for public inspection at the clerk's office at least fifteen days prior to the beginning of the fiscal year. The budget is prepared on a modified accrual basis of accounting except for capital outlays made under capital leases and the corresponding other financing sources that are not included in the budget. The proposed budget and official announcement of the date of the public hearing is published in the official journal at the same time that the budget is made available for public inspection. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year-end.

The following schedule reconciles the net increase (decrease) in fund balances as shown on the budgetary basis statements on pages 27-28 with the amounts as shown on the GAAP basis statements on page 12:

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

	Year Ended <u>June 30, 2006</u>
Net increase (decrease) in fund balance, GAAP basis	\$ (45,692)
Adjust for capital outlay made under capital lease	71,788
Adjust for other financing source from capital lease	<u>(71,788)</u>
Net increase (decrease) in fund balance, Budget basis	\$ <u>(45,692)</u>

General fund expenditures exceeded appropriations by \$6,192 for the year ended June 30, 2006.

G. CASH AND CASH EQUIVELENTS

Cash includes amounts in petty cash, 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 of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

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

Investments are reported at fair value which is determined using selected bases in accordance with GASB Statement No. 30. Short-term investments are reported at amortized cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

I. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 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 costs 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:

Buildings improvements	7-10 years
Furniture and equipment	5-10 years
Vehicles	5-10 years

J. INTERFUND ACTIVITIES

The General Fund of the Clerk of Court transfers amounts to the Advance Deposit Fund and the Registry of Court Fund for reimbursement of fees and bank charges. 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.

K. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Clerk of Court or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Clerk of Court's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. COMPENSATED ABSENCES

Full-time employees of the Clerk of Court earn 10 days of vacation each year and an additional 1/2 day after 5 years of service. Sick leave is granted to full-time employees each year. Ten days of sick leave are allowed. Neither vacation nor sick leave can be accumulated from year to year. Upon termination of employment, payment for unused vacation leave is made at the employee's current rate of pay. Employees are not compensated for unused sick leave upon separation of service. Part-time employees are not entitled to vacation or sick leave.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

At June 30, 2006, employees of the Clerk of Court had accumulated and vested \$11,629 of employee leave benefits, which was computed in accordance with GASB Codification Section C 60. This amount is recorded as a current liability in the government-wide financial statements since unused accrued vacation is forfeited on January 1st of each year.

M. USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net assets. In the fund financial statements, the face amount of the debt is reported as other financing sources.

O. RISK MANAGEMENT

The Clerk of Court is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains insurance to cover such risks and the Clerk believes such insurance is sufficient to cover any settlements.

2. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at June 30, 2006:

	Governmental <u>Activities</u>	Fiduciary <u>Funds</u>
Demand deposits	\$ 8,877	\$ 678,174
Interest-bearing demand deposits	87,315	115,541
Petty cash	<u>100</u>	<u>-</u>
Total	\$ <u>96,292</u>	\$ <u>793,715</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal bank in a holding or custodial bank that is mutually acceptable to both parties.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

At June 30, 2006, the Clerk of Court had \$112,712 in deposits (collected bank balances). These deposits are secured from risk by \$108,877 of federal deposit insurance and \$3,835 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

At June 30, 2006, the Fiduciary Funds had \$811,854 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$611,854 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

At June 30, 2006, the Clerk of Court also had investments totaling \$300,000 in Certificates of Deposits. The investments are considered Category 3 in applying the credit risk of GASB Codification Section 150.125. The fair value of these investments is equal to their carrying amount at amortized cost.

Certificates of Deposits are secured from risk by \$746,508 of pledged securities held by the custodial bank in the name of the fiscal agent bank. The fiduciary funds of the Clerk of Court also had investments in Certificates of Deposits totaling \$125,000 which are secured from risk by \$125,000 in pledged securities.

4. RECEIVABLES

Receivables of \$24,920 at June 30, 2006, consist primarily of various fees and charges for services rendered. The Clerk of Court considers substantially all accounts receivable to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, they are charged to operations when that determination is made.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

5. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables of the Clerk of Court consisted of the following as June 30, 2006:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 36,112	\$ 141
Agency Funds:		
Registry of Court Fund	141	-
Advance Deposit Fund	<u>-</u>	<u>36,112</u>
Totals	<u>\$ 36,253</u>	<u>\$ 36,253</u>

6. DUE TO/FROM OTHER GOVERNMENTAL UNITS

Amounts due to/from other governmental units at June 30, 2006 consisted of the following:

	<u>Due From</u>	<u>Due To</u>
State of LA – Juvenile Non-support fund	\$ 4,686	\$ -
Webster Parish Sheriff's Department	4,828	2,206
Webster Parish School Board	38	-
City of Minden	55	-
Webster Parish Tax Assessor	5	-
Webster Parish Police Jury	6,238	-
Webster Parish Sales Tax Commission	<u>36</u>	<u>-</u>
	<u>\$ 15,886</u>	<u>\$ 2,206</u>

7. EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the General Fund balance that exceeds one-half of the revenues of the Clerk's last year of term of office but limited to amounts received by the Clerk of Court under LRS 13:784(A). At June 30, 2006, there was no amount due to the parish treasurer as this was not the last year of the Clerk's four-year term of office.

8. LITIGATION AND CLAIMS

The Clerk of Court is not involved in any litigation. There were no current year expenditures for claims and judgments.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

9. EXTRAORDINARY ITEMS

On February 27, 2004, former Clerk of Court, Sueletha Frazier pled guilty to one count of felony theft and one count of malfeasance in office. Ms. Frazier resigned as Clerk of Court on March 16, 2004. As part of sentencing, the former clerk was required to make restitution in the amount of \$105,923 within three years of her release from incarceration. The Clerk of Court received \$40,000 of that amount in fiscal year 2005. The remaining amount of \$65,923 represents the defendant's forfeited retirement benefits. The Clerk's office is to receive monthly payments of \$2,800 directly from the Louisiana Clerks of Court Retirement and Relief fund until the \$65,923 is paid in full. All payments received are presented as extraordinary items in the Statements of Activities and Revenues, Expenditures, and Changes in Fund Balance.

At June 30, 2006, \$32,323 of court ordered restitution remains due to the Clerk of Court. No accrual for these amounts is reflected in the financial statements.

10. FIXED ASSETS

Capital asset activity for the year ended June 30, 2006, was as follows:

<u>Governmental Activities</u>	<u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2006</u>
Equipment	321,970	48,169	-	370,139
Furniture and fixtures	124,470	-	-	124,470
Automobile	<u>24,061</u>	<u>-</u>	<u>-</u>	<u>24,061</u>
Capital assets at historical cost	470,501	48,169	-	518,670
Less accumulated depreciation:				
Equipment	(172,911)	(39,973)	-	(212,884)
Furniture and fixtures	(119,273)	(3,863)	-	(123,136)
Automobile	<u>(2,006)</u>	<u>(4,812)</u>	<u>-</u>	<u>(6,818)</u>
Total accumulated depreciation	(294,190)	(48,648)	-	(342,838)
Net Capital Assets	<u>176,311</u>	<u>(479)</u>	<u>-</u>	<u>175,832</u>

Depreciation expense of \$48,648 for 2006 was charged to the general government function.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

11. LEASES

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements.

The Webster Parish Clerk of Court has two capital leases for computer system upgrades with an original gross cost of \$168,153 and \$71,788. The minimum lease payments are as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 65,862	\$ 12,090	\$ 77,952
2008	27,505	4,997	32,502
2009	21,275	2,137	23,412
2010	<u>3,835</u>	<u>66</u>	<u>3,901</u>
Total	\$ <u>118,477</u>	\$ <u>19,290</u>	\$ <u>137,767</u>

The Webster Parish Clerk of Court maintains various operating leases for office equipment. The rental expenditures incurred for the year ended June 30, 2006 under these leases amounted to \$19,467. The future minimum rental payments under operating leases are as follows:

	<u>Governmental Activities</u>
2007	\$ 13,296
2008	5,370
2009	1,124
2010	<u>-</u>
Total	\$ <u>19,790</u>

12. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term debt transactions of the Clerk of Court for the year ending June 30, 2006:

<u>Governmental Activities</u>	<u>Capital Lease Obligations</u>
Balance July 1, 2005	\$ 102,066
Additions	71,788
Payments	<u>(55,377)</u>
Balance June 30, 2006	\$ <u>118,477</u>

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

13. PENSION PLAN

Plan Description. Substantially all employees of the Webster 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 per cent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months which produce the highest average. Employees who terminate with at least 12 years of service, and who 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 percent of their annual covered salary and the Webster Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Webster Parish Clerk of Court are established and may be 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 of the valuation for the prior fiscal year. The Webster Parish Clerk of Court's contributions to the System for the years ending June 30, 2006, 2005 and 2004, were \$84,618, \$75,584 and \$60,768, respectively, which equaled the required contributions for the year.

Per R.S. 11:1562(C), the clerk of court may elect to pay all or a portion of the contributions required to be made by plan members. Contributions paid on behalf of plan members for the year ending June 30, 2006 was \$44,324.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

14. DEFERRED COMPENSATION PLAN

Certain employees of the Clerk of Court's office participate in the Louisiana Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, P. O. Box 94397, Baton Rouge Louisiana 70804-9397. For the year ending June 30, 2006 employee contributions were \$10,760. Employer contributions were equal to employee contributions.

15. RESTATEMENT OF FUND EQUITY

At June 30, 2005, the General Fund of the Clerk of Court reflected accrued compensated absences of \$11,509 which were not due and payable as of that date. The beginning fund balance of the General Fund was restated as presented on the Statement of Revenues, Expenditures and Changes in Fund Balance. The restatement had the following effects on fund balance of the major fund of the Clerk of Court as they were previously reported:

General Fund, fund balance, June 30, 2005	\$ 480,485
To remove accrual of compensated absences not due and payable as of June 30, 2005	<u>11,509</u>
General Fund, fund balance, as restated, June 30, 2005	<u>\$ 491,994</u>

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Budgetary Comparison Schedule - General Fund
For the year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budgetary (GAAP) Basis</u>	<u>Final Budget Favorable (Unfavorable)</u>
Revenues				
Fees, charges and commissions -				
Civil suits	\$ 290,000	\$ 290,000	\$ 327,898	\$ 37,898
Juvenile fees	38,000	38,000	48,579	10,579
Court attendance	6,500	6,500	6,560	60
Criminal fees	89,000	89,000	89,363	363
Notarial fees	1,400	1,400	50	(1,350)
Candidate and election fees	2,000	2,000	7,110	5,110
Copies (certified and photocopy)	125,000	125,000	103,442	(21,558)
Fees for recording legal documents -				
Recordings	450,000	450,000	430,200	(19,800)
Cancellations	27,000	27,000	27,088	88
Mortgage certificates	7,000	7,000	6,955	(45)
Marriage licenses	9,000	9,000	9,783	783
Clerk's supplemental fund	15,300	15,300	17,078	1,778
Interest earnings on deposits and from Agency Fund	11,000	11,000	17,650	6,650
Miscellaneous	224	224	383	159
Total Revenues	1,071,424	1,071,424	1,092,139	20,715
Expenditures				
Personnel services and related benefits -				
Clerk's salary	\$ 69,550	\$ 69,550	\$ 69,550	\$ -
Deputy clerks' salaries	443,450	443,450	453,250	(9,800)
Other salaries	30,000	30,000	24,415	5,585
Clerk's voting machine salary	2,100	2,100	2,100	-
Clerk's supplemental fund salary	15,300	15,300	17,700	(2,400)
Clerk's expense allowance	8,485	8,485	8,605	(120)
Group health insurance	150,000	150,000	136,357	13,643
Retirement expense	136,000	136,000	136,797	(797)
Medicare tax expense	8,800	8,800	8,927	(127)
Travel and professional development -				
Travel	4,000	4,000	5,339	(1,339)
Association dues	2,500	2,500	2,231	269
Operating services -				
Professional fees	14,000	14,000	18,454	(4,454)
Telephone	7,300	7,300	6,487	813
Miscellaneous	305	305	120	185
Insurance and bonds	13,000	13,000	11,565	1,435
UCC filings	10,000	10,000	16,807	(6,807)
Marriage licenses	5,000	5,000	4,415	585
Notary commissions	1,310	1,310	35	1,275
Election expense	1,000	1,000	5,786	(4,786)
Candidate fees	1,000	1,000	504	496
Penalties and interest	-	-	746	(746)
Equipment taxes	400	400	-	400
Clerk's supplemental fund	15,000	15,000	17,123	(2,123)
Security guard	18,000	18,000	16,500	1,500
Commissions	-	-	7,266	(7,266)

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Budgetary Comparison Schedule - General Fund
For the year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary (GAAP) Basis</u>	<u>Final Budget Favorable (Unfavorable)</u>
Materials and supplies				
Office supplies and expense	96,000	96,000	87,987	8,013
Indexing and binding	25,000	25,000	17,937	7,063
Automobile supplies and maintenance	2,500	2,500	3,197	(697)
Repairs and maintenance	1,500	1,500	-	1,500
Postage	17,000	17,000	15,297	1,703
Uniforms	4,500	4,500	552	3,948
Capital lease - principal	-	-	55,377	(55,377)
Capital lease - interest	-	-	18,673	(18,673)
Capital Outlay	40,000	40,000	1,332	38,668
Total Expenditures	<u>1,143,000</u>	<u>1,143,000</u>	<u>1,171,431</u>	<u>(28,431)</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(71,576)</u>	<u>(71,576)</u>	<u>(79,292)</u>	<u>(7,716)</u>
Other Financing Sources (Uses)				
Restitution received	32,076	32,076	33,600	1,524
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (uses)	<u>32,076</u>	<u>32,076</u>	<u>33,600</u>	<u>1,524</u>
Net Change in Fund Balance	<u>(39,500)</u>	<u>(39,500)</u>	<u>(45,692)</u>	<u>(6,192)</u>
Fund Balances				
Beginning of Year	<u>370,000</u>	<u>370,000</u>	<u>491,994</u>	<u>121,994</u>
End of Year	<u>\$ 330,500</u>	<u>\$ 330,500</u>	<u>\$ 446,302</u>	<u>\$ 115,802</u>

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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*

Webster Parish Clerk of Court
Minden, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Webster Parish Clerk of Court as of and for the year ended June 30, 2006, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated December 21, 2006. The report was qualified with respect to the aggregate remaining fund information of the Clerk's agency funds and the inability to determine the completeness of additions to the agency funds. Except as discussed in the preceding sentence, 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 Webster Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Webster Parish Clerk of Court's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 06-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Webster 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 06-1.

This report is intended solely for the information and use of the Webster Parish Clerk of Court, its management, and 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Jamieson, Wise & Martin

Minden, Louisiana
December 21, 2006

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
As of and for the Year Ended June 30, 2006

FINDINGS - FINANCIAL STATEMENTS AUDIT

06-1: Budget Adoption

Condition: The budget for the year ending June 30, 2006 was not made available for public inspection no later than fifteen days prior to the beginning of the fiscal year as required by Louisiana Revised Statute 39:1306(B). The notice of public inspection and a public hearing to be held on July 5, 2005 to review the proposed budget for 2006 was published on June 23, 2005. The notice was issued only 8 days before the beginning of the fiscal year.

Cause: The Clerk's request of the official journal to publish the notice of public inspection and public hearing was not made in time to be published at least fifteen days prior to the beginning of the fiscal year.

Recommendation: As required by the Local Government Budget Act, the budget should be completed and made available for inspection no later than fifteen days prior to the beginning of the fiscal year.

Management's Response: This was the current Clerk's first budget adoption. In the future, request for publication of notice will be made to effect adoption of the budget no later than 15 days prior to the beginning of each fiscal year.

06-2: Completeness of Unsettled Deposits of the Agency Funds of the Clerk of Court

Condition: The internal control procedures over the completeness of the Advance Deposit Fund and Registry of Court agency funds are not sufficient to ensure that all additions to the agency funds are accounted for in the records of the Clerk of Court.

We noted the absence of a reconciliation of individual suit unsettled deposits per the computerized subsidiary ledger records to the total cash balances in the Advance Deposit Fund. The absence of the reconciliation of individual suit deposits is mitigated somewhat by an outside accountants' reconciliation of monthly activity per the Clerk's computer system to the total cash balances. However, the reconciliation of actual individual suit deposits would provide a more effective control over unsettled deposit balances.

For the Registry of Court Fund, there are not sufficient control procedures in place to determine that all monies ordered by the courts to be deposited into the Registry of the Court have been received.

Cause: The current software program for the computerized subsidiary ledger prints a summary of all outstanding individual suit deposits in the Advance Deposit Fund but does not provide a grand total for all unsettled deposits in order to compare to the total cash balance. These balances also sometimes did not agree to the balance detail of the individual suit.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
As of and for the Year Ended June 30, 2006

For the Registry of Court, there are insufficient controls to determine that all court orders have been received along with the funds that are required to be held by the Clerk of Court until further order of the court for their release.

Recommendation: Discussions should be held with the computer software vendor regarding the need to print a summary and grand total of all outstanding individual suit deposits in the Advance Deposit Fund. Whenever the ability to generate a summary is made available, a reconciliation of the summary of individual suit deposits to the total cash balances in the Advance Deposit Fund should be performed routinely.

The Clerk of Court should also implement internal controls to ensure that all court orders and the related monies ordered to be held by the Clerk of Court have been received and that the money is properly accounted for.

Management's Response: An outside accountant for the Clerk of Court reconciles monthly activity in individual suit deposits. It is in the opinion of management, considering the number of open suits, that an accounting of the entire history of each suit on a monthly basis is impractical and that monthly activity reconciliation is satisfactory.

As pertains to the Registry of the Court Fund, there are no known controls to insure that the Clerk of Court's office receives all court orders and funds as these are received from numerous outside sources on an irregular basis. The funds and orders that are received will be logged by the Civil Department and reconciled to registry deposits made by the Clerk on a regular basis.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Summary of Prior Audit Findings
June 30, 2005

Prior Audit Findings Related to Compliance

05-1: Undeposited Funds

Condition: We were not able to determine that various checks issued to the Clerk of Court were deposited into the salary fund of the Clerk of Court.

Fiscal Year Finding Initially Occurred: June 30, 2003

Resolved: Yes. No similar finding was noted as of June 30, 2006

05-2: Clerk's Compensation in Excess of Authorized Limits

Condition: Salary payments in March 2004 resulted in overpayments in the amount of \$5,123.18 to the former Clerk of Court Sueletha Frazier. The Clerk of Court's compensation is limited by LA R.S. 13:782.

Fiscal Year Finding Initially Occurred: June 30, 2001

Resolved: Yes. No similar finding was noted as of June 30, 2006.

05-3: Clerk Compensation not Properly Reported

Condition: The Clerk of Court's annual 10% expense allowance was not properly reported as compensation through November of 2004.

Fiscal Year Finding Initially Occurred: June 30, 2001

Resolved: Yes. No similar finding was noted as of June 30, 2006.

05-4: Budget Adoption

Condition: The budgets for the two years ending June 30, 2006 were not completed and made available for public inspection no later than fifteen days prior to the beginning of the fiscal year as required by Louisiana Revised Statute 39:1306(B).

Fiscal Year Finding Initially Occurred: June 30, 2003

Resolved: No. A similar finding was noted for the year ended June 30, 2006. See Finding 06-01.

WEBSTER PARISH CLERK OF COURT
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Summary of Prior Audit Findings
June 30, 2005

05-5: Filing of Financial Statements with the Legislative Auditor

Condition: The Webster Parish Clerk of Court failed to timely file audited financial statements with the Legislative Auditor as required by Louisiana Revised Statute 24:513.

Fiscal Year Finding Initially Occurred: June 30, 2003

Resolved: Yes. No similar finding was noted as of June 30, 2006.

05-6: Reconciliation of Unsettled Deposits – Advance Deposit Fund

Condition: We noted the absence of a reconciliation of individual suit unsettled deposits per the computerized subsidiary ledger records to the total cash balances in the Advance Deposit Fund.

Fiscal Year Finding Initially Occurred: Continuous unresolved finding.

Resolved: No. A similar finding was noted for the year ended June 30, 2006. See Finding 06-02.

05-7: Lack of Reconciliation of Accounts Receivable to the General Ledger

Condition: The aged accounts receivable trial balance was not reconciled to the general ledger for the years ended June 30, 2005 and 2004.

Fiscal Year Finding Initially Occurred: June 30, 2001

Resolved: Yes. No similar finding was noted as of June 30, 2006.

05-8: Inadequate Control over Receipt of Revenues

Condition: The Clerk of Court failed to maintain adequate control over the receipt of revenues resulting in public funds not being deposited to the accounts of the Clerk of Court.

Fiscal Year Finding Initially Occurred: June 30, 2003

Resolved: Yes. No similar finding was noted as of June 30, 2006.

WEBSTER PARISH CLERK OF COURT
Minden, Louisiana

Summary of Prior Audit Findings
June 30, 2005

05-9: All Accounts Maintained by the Clerk of Court's Office Not Made Available for Audit in Prior Years

Condition: Through fiscal years ended June 30, 1998 to June 30, 2003 the Webster Parish Clerk of Court did not make available for audit, pursuant to LA Revised Statute 24:513, a bank account maintained by the Clerk's office.

Fiscal Year Finding Initially Occurred: June 30, 2005

Resolved: Yes. No similar finding was noted as of June 30, 2006.

05-10: Advertising and banquet reservations in Violation of LA RS 43:111 and Article VII Section 14 of the Louisiana Constitution

Condition: We noted payments which appear to be advertising in violation of LA RS 43:111 and banquet seating reservations that would violate Article VII Section 14 of the Louisiana Constitution.

Fiscal Year Finding Initially Occurred: June 30, 2005

Resolved: Yes. No similar finding was noted as of June 30, 2006.