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**WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana**

**Annual Financial Statements
As of and 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

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2008

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WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Honorable Johnny D. Crain
Washington Parish Clerk of Court
Franklinton, Louisiana

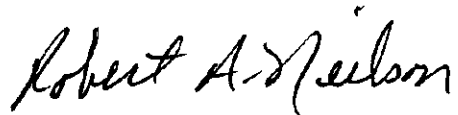
I have audited the accompanying basic financial statements of the Washington Parish Clerk of Court as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Washington Parish Clerk of Court's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Washington Parish Clerk of Court as of June 30, 2008, and the changes in its 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*, I have also issued my report dated December 23, 2008 on my consideration of the Washington Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and on pages 31 and 32 , are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Robert A. Neilson". The signature is written in a cursive style with a small mark above the letter 'i' in "Neilson".

Certified Public Accountant

Bogalusa, Louisiana

December 23, 2008

WASHINGTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

This discussion and analysis of the Washington Parish Clerk of Court's (Clerk) financial performance provides an overview of the Clerk's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$946,958
- Total revenues increased \$28,432, or 1.9 percent and total expenses increased \$197,235, or 15.1 percent
- The general fund reported a fund balance of \$501,402, a decrease of \$120,250 from the prior year

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The Clerk's basic financial statements comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Clerk's finances in a manner similar to private sector business. They present the financial picture of the Clerk from an economic resources measurement focus using the accrual basis of accounting.

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. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Clerk is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the fiscal year using the accrual basis of accounting. All revenues and expenses are reported in this statement regardless of when cash is received or paid.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Clerk has two kinds of funds: 1) governmental funds and 2) fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund statements provide a short-term view of the Clerk's general government operations. 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. 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 pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Clerk's net assets at June 30, 2008 and 2007 are summarized below.

	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 538,990	\$657,023
Capital assets (net of accumulated depreciation)	<u>464,870</u>	<u>275,271</u>
Total assets	<u>1,003,860</u>	<u>932,294</u>
Current and other liabilities	37,588	35,371
Long-term liabilities	<u>19,314</u>	<u>8,631</u>
Total liabilities	<u>56,902</u>	<u>44,002</u>
Net Assets:		
Invested in capital assets, net of related debt	445,556	266,640
Unrestricted	<u>501,402</u>	<u>621,652</u>
Total net assets	<u>\$ 946,958</u>	<u>\$888,292</u>

Net assets increased \$58,666 or 6.6 percent. Capital assets are non-liquid assets and cannot be utilized to satisfy the Clerk's obligations.

Changes in the clerk's net assets for the year's ended June 30, 2008 and 2007 are summarized below.

	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues	\$1,527,403	\$1,498,382
General revenues	<u>31,946</u>	<u>32,335</u>
Total revenues	<u>1,559,149</u>	<u>1,530,717</u>
Expenses:		
Personal services and related benefits	1,118,491	934,685
Operating services	201,735	203,123
Supplies	95,790	108,105
Other expenses	<u>84,467</u>	<u>57,335</u>
Total expenses	<u>1,500,483</u>	<u>1,303,248</u>
Change in net assets	58,666	227,469
Net assets-beginning	<u>888,292</u>	<u>660,823</u>
Net assets-ending	<u>\$ 946,958</u>	<u>\$ 888,292</u>

Fees for recording were approximately 35 percent and 38 percent of program revenues for the years ended June 30, 2008 and 2007, respectively. Fees from suits and successions were approximately 38 percent and 44 percent of program revenues in 2008 and 2007, respectively.

Personal services and related benefits were approximately 73 and 62 percent of program revenues in 2008 and 2007, respectively.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The general government functions are reported in the general fund. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The fund balance of the general fund decreased by \$120,250 during the year ended June 30, 2008. At the end of the current year, the total fund balance of \$501,402 was unreserved. Unreserved fund balance represents 29.6 percent of total fund expenditures.

The total revenues of \$1,559,149 are the same as reported in the government-wide statement of activities. The difference between the general fund expenditures and the expenses on the statement of activities are in the reporting of capital expenditures, depreciation, capital leases and repayment of debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was prepared in accordance with the provisions of the Local Government Budget Act. The budget was amended once during the year.

The following are significant variations between the budget and actual amounts.

1. Actual revenues exceeded budgeted revenues by \$16,549. Revenues from recordings and grants exceeded budgeted amounts by \$9,367 and \$38,982 respectively.
2. Actual expenditures exceeded budgeted expenditures by \$54,716 or 3%.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets. The following summarizes the Clerk’s investment in capital assets at June 30, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Capital assets	\$804,907	\$564,135
Less accumulated depreciation	(340,037)	(288,864)
Capital assets, net	464,870	275,271
Less related debt	(19,314)	(8,631)
 Invested in capital assets	 <u>\$445,556</u>	 <u>\$266,640</u>

The clerk purchased capital assets of \$263,605 and \$82,003 in the years ended June 30, 2008 and 2007, respectively.

Long-Term Debt. The following summarizes the Clerk’s long-term debt activity during the year ended June 30, 2008.

	<u>Capital Lease Obligations</u>
Balance, beginning of year	\$ 8,631
Additions	15,717
Payments	(5,034)
 Balance, end of year	 <u>\$19,314</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The annual budget is developed to provide efficient, effective and economic uses of the Clerk’s resources.

In the year ended June 30, 2008, approximately 98 percent of the Clerk’s revenues represented charges for services.

Revenues are expected to decrease approximately \$144,000 and expenditures are expected to decrease approximately \$280,000 for next year over the 2008 amounts because of the national economy’s impact on the parish.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Clerk's finances and to show the Clerk's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Honorable Johnny D. Crain, Washington Parish Clerk of Court, P.O. Box 607, Franklinton, LA 70438, phone number (985) 839-4663.

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Statement of Net Assets
 June 30, 2008

ASSETS	
Cash	\$ 467,118
Receivables	52,022
Due from other funds	19,850
Capital assets, net of accumulated depreciation	<u>464,870</u>
Total Assets	<u>1,003,860</u>
LIABILITIES	
Accounts payable	22,697
Payroll taxes payable	7,678
Compensated absences payable	7,213
Long-term liabilities:	
Due within one year	8,181
Due after one year	<u>11,133</u>
Total Liabilities	<u>56,902</u>
NET ASSETS	
Invested in capital assets, net of related debt	445,556
Unrestricted	<u>501,402</u>
Total Net Assets	<u>\$ 946,958</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT

Franklinton, Louisiana

Statement of Activities

Year Ended June 30, 2008

EXPENSES

Judiciary:

Personal services	\$ 816,918
Employee benefits	301,573
Travel	8,626
Operating services	201,735
Supplies	95,790
Interest and other charges	1,835
Depreciation	<u>74,006</u>

Total Expenses 1,500,483

PROGRAM REVENUES

Recordings	534,367
Cancellations	31,130
Mortgage Certificates	23,600
Certified Copies	31,043
Court attendance	4,142
Criminal fees	81,644
Suits and successions	582,767
Elections	13,498
Notarial Fees	4,087
Marriage licenses	6,529
Grants	138,982
Miscellaneous	<u>75,414</u>

Total Program Revenue 1,527,203

GENERAL REVENUES

Interest	<u>31,946</u>
Total General Revenues	<u>31,946</u>

CHANGE IN NET ASSETS 58,666

NET ASSETS – BEGINNING OF YEAR 888,292

NET ASSETS – END OF YEAR \$ 946,958

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Governmental Fund – General Fund
Balance Sheet
June 30, 2008

ASSETS	
Cash	\$467,118
Receivables	52,022
Due from other funds	<u>19,850</u>
Total Assets	<u>\$538,990</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 22,697
Payroll taxes payable	7,678
Compensated absences payable	<u>7,213</u>
Total Liabilities	37,588
 Fund Balance:	
Unreserved	<u>501,402</u>
Total Fund Balance	<u>501,402</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$538,990</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Governmental Fund
 Reconciliation of the Balance Sheet to the Statement of Net Assets
 June 30, 2008

Fund Balance – Governmental Fund	\$501,402
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Amounts reported for governmental activities
 in Statement of Net Assets are different
 because:

Capital assets used in governmental activities are
 not financial resources and therefore are not
 reported in the governmental fund

Governmental capital assets	\$804,907	
Less accumulated depreciation	(340,037)	
		464,870

Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental fund	(19,314)
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Net Assets of Governmental Activities	<u>\$946,958</u>
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The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Governmental Fund – General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Year Ended June 30, 2008

REVENUES

Fees, charges and commissions
 for services:

Recordings	\$ 534,367
Cancellations	31,130
Mortgage Certificates	23,600
Certified Copies	31,043
Court Attendance	4,142
Criminal Costs	81,644
Civil Suits	582,767
Elections	13,498
Notarial Fees	4,087
Miscellaneous	75,414
Marriage Licenses	6,529
Grants	138,982
Interest	<u>31,946</u>

Total Revenues 1,559,149

EXPENDITURES

Judiciary:

Personal services	816,918
Employee benefits	301,573
Travel	8,626
Operating services	201,735
Supplies	95,790
Debt service	
Principal	5,034
Interest and other charges	1,835
Capital Outlay	<u>263,605</u>

Total Expenditures 1,695,116

**Excess (Deficiency) of Revenues Over
 (Under) Expenditures** (135,967)

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Governmental Fund – General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2008
(Continued)

OTHER FINANCING SOURCES:

Capital lease	<u>15,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(120,250)
Fund Balance at Beginning of Year	<u>621,652</u>
Fund Balance at End of Year	<u>\$ 501,402</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balance to the Statement of Activities
 Governmental Fund
 June 30, 2008

Net changes in Governmental Fund Balance (\$120,250)

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

Governmental funds report capital
 outlays as expenditures; however,
 in the statements of activities,
 the cost of those assets is
 depreciated over their estimated
 useful lives

Expenditures for capital assets	263,605
Current year depreciation	(74,006)

Loan proceeds provide current financial
 resources to governmental funds but
 incurring debt increases liabilities
 in the statement of net assets.
 Repayment of debt principal is an
 expenditure in the governmental funds
 but the repayment reduces long-term
 liabilities in the statement of net
 assets.

Increase in long-term liabilities	(15,717)
Repayment of long-term liabilities	<u>5,034</u>

Change in Net Assets of Governmental Funds \$ 58,666

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT

Franklinton, Louisiana

Statement of Fiduciary Net Assets

June 30, 2008

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
ASSETS				
Cash	<u>\$939,136</u>	<u>\$251,205</u>	<u>\$3,342</u>	<u>\$1,193,683</u>
Total Assets	<u>939,136</u>	<u>251,205</u>	<u>3,342</u>	<u>1,193,683</u>
LIABILITIES				
Due to Salary Fund	19,533	213	104	19,850
Held for others pending court action	<u>919,603</u>	<u>250,992</u>	<u>3,238</u>	<u>1,173,833</u>
Total Liabilities	<u>939,136</u>	<u>251,205</u>	<u>3,342</u>	<u>1,193,683</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Statement of Changes in Fiduciary Net Assets
Year Ended June 30, 2008

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
ADDITIONS				
Suits and successions	\$858,257	\$102,717	\$29,233	\$990,207
Interest income	<u>-</u>	<u>4,501</u>	<u>-</u>	<u>4,501</u>
Total Additions	<u>858,257</u>	<u>107,218</u>	<u>29,233</u>	<u>994,708</u>
DEDUCTIONS				
Clerk's cost (transferred to Salary Fund)	575,177	-	7,550	582,727
Settlements to Litigants	-	330,719	-	330,719
Sheriffs' fees	66,069	-	6,750	72,819
Attorneys, curator and notary	23,468	-	-	23,468
Judges expense fund	20,910	-	-	20,910
Judges supplemental fund	27,060	-	-	27,060
Transfer to Civil Jury Fund	29,233	-	-	29,233
Washington Parish Government	25,817	-	-	25,817
Other Reductions	<u>9,957</u>	<u>167</u>	<u>14,933</u>	<u>25,057</u>
Total Deductions	777,691	330,886	29,233	1,137,810
CHANGE IN NET ASSETS	<u>80,566</u>	<u>(223,668)</u>	<u>-</u>	<u>(143,102)</u>
NET ASSETS – BEGINNING OF YEAR	<u>839,037</u>	<u>474,660</u>	<u>3,238</u>	<u>1,316,935</u>
NET ASSETS – END OF YEAR	<u>\$919,603</u>	<u>\$250,992</u>	<u>\$ 3,238</u>	<u>\$1,173,833</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Washington Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The clerk of court is an independently elected official. The Washington Parish Government has determined that the Clerk is not a component unit of Parish Government utilizing criteria established by GASB Statement 14.

The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the Washington Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING

The Washington 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 fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

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

General Fund – the primary operating fund of the clerk and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to clerk policy.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants 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.

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

Fees for certified copies, cancellations, mortgage certificates, recording legal documents, and criminal fees are recorded in the year they are earned. Substantially all other revenues are recorded when received.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Expenditures

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

Other Financing Sources/(Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Washington Parish Clerk of Court.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS

The proposed budget for the year ended June 30, 2008 was made available for public inspection at the clerk's office on May 23, 2007. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 20 days prior to the public budget hearing. The budget hearing was held at the clerk's office on June 12, 2007. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year end. Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Under state law, the Washington Parish 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.

G. INTERFUND ACTIVITIES

The Clerk of Court transfers interest earned on deposits of the Agency Funds to the General Fund to be utilized by the General 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. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

WASHINGTON PARISH CLERK OF COURT
 Notes to the Financial Statements
 As of and for the Year Ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment under capital lease	8 years
Building improvements	25 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	5 years

I. COMPENSATED ABSENCES

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

Employees receive annual vacation days on July 1 of each year, depending upon length of service. A maximum of 10 days of unused vacation leave may be carried over into a new fiscal year. Upon termination, employees are paid for up to 5 days of unused vacation time.

Earned but unused vacation leave is accrued as a liability because (a) the employee's rights to receive compensation are attributable to services already rendered and (2) it is probable that the clerk will compensate the employees for the vacation leave through paid time off or some other means, such as cash payments at termination or retirement.

Employees receive up to 10 days of sick leave on July 1 of each year. A maximum of 40 days of unused sick leave may be carried over into a new year. Upon termination, employees are not paid for any unused sick days.

Earned but unused sick leave has not been accrued as a liability because no payments will be made at termination of employment.

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. COMPENSATED ABSENCES (continued)

At June 30, 2008, employees of the clerk of court have accumulated and vested \$7,213 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as an obligation of the General Fund since the total liability can be reasonably expected to be paid from current resources.

J. FUND EQUITY

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. At June 30, 2008, there was no amount due the parish treasurer as the General Fund's fund balance at June 30, 2008, did not exceed one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office.

K. ESTIMATES

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

2. CASH

At June 30, 2008, the Washington Parish Clerk of Court has cash (book balances) totaling \$1,660,802 as follows:

Demand deposits	\$ 88,949
Interest bearing demand deposits	1,112,135
Time deposits	<u>459,718</u>
Total	<u>\$1,660,802</u>

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

2. CASH(Continued)

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

At June 30, 2008 the clerk has \$1,718,506 in deposits (collected bank balances). These deposits are secured from risk by \$1,575,920 of federal deposit insurance, and \$1,171,446 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

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.

3. RECEIVABLES

The receivables of \$52,022 at June 30, 2008, consist of various fees and charges for services rendered.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2008 is as follows:

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

4. CAPITAL ASSETS(Continued)

<u>Governmental Activities</u>	<u>Equipment Under Capital Lease</u>	<u>Building Improvements</u>	<u>Furniture & Equipment</u>	<u>Total</u>
Capital Assets:				
Balance June 30, 2007	\$19,486	\$190,471	\$354,178	\$564,135
Additions- Y/E 06/30/08	15,717	3,875	244,013	263,605
Dispositions- Y/E 06/30/08	-	-	(22,833)	(22,833)
Reclassifications	(2,480)	-	2,480	-
Balance June 30, 2008	<u>32,723</u>	<u>194,346</u>	<u>577,838</u>	<u>804,907</u>
Less Accumulated Depreciation:				
Balance 06/30/2007	6,090	66,218	216,556	288,864
Additions- Y/E 06/30/08	2,453	7,671	63,882	74,006
Dispositions- Y/E 06/30/08	-	-	(22,833)	(22,833)
Reclassifications	(775)	-	775	-
Balance June 30, 2008	<u>7,768</u>	<u>73,889</u>	<u>258,380</u>	<u>340,037</u>
Capital Assets, Net at June 30, 2008	<u>\$24,955</u>	<u>\$120,457</u>	<u>\$319,458</u>	<u>\$464,870</u>

5. PENSION PLAN

Plan Description. Substantially all employees of the Washington 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 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

5. PENSION PLAN(Continued)

final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

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

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary. Senate Bill 556 effective July 1, 1999, allows the Clerk as the employer to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the salary. The Washington Parish Clerk of Court pays all the 8.25% employee contribution. The Washington Parish Clerk of Court is also required to contribute at an actuarially determined rate. The current rate is 11.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Washington 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 Washington Parish Clerk of Court's employer contributions to the System (exclusive of the 8.25% employee contribution) for the years ending June 30, 2008, 2007, and 2006, were \$74,504, \$89,198, and \$86,328, respectively, equal to the required contributions for each year.

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2008

6. DEFERRED COMPENSATION PLAN

The Clerk offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan is administered by the Louisiana Deferred Compensation Commission. The plan, available to all full-time employees of the Clerk, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Great West Life & Annuity Insurance Co. for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute up to 100% of their salary with the Clerk matching up to 6% of compensation. Maximum annual contributions for participants under age 50 and for participants age 50 and older may not exceed \$15,500 and \$20,500 respectively. All contributions are immediately vested. The Clerk contributed \$30,913 to the plan during the year ended June 30, 2008.

7. OTHER POST-EMPLOYMENT BENEFITS

Under the provisions of Louisiana Revised Statute 13:783, the Clerk is authorized to contract separately or through the insurance committee that administers the Clerk's insurance fund to obtain various insurance coverages for the Clerk, employees of the Clerk, and their dependents. The Clerk or any employee that retires under the Clerks' of Court retirement program may elect to continue insurance coverage. The Washington Parish Clerk of Court provides 100 percent of the cost of health and life insurance for its regular active employees and 25 percent of the cost of elective dependent coverage. The Clerk provides 100% of the cost of health and life insurance for retired employees and their dependents. Retired employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. The total employer contributions are recognized as expenditures monthly as premium payments are made by the Clerk to the Louisiana Clerks of Court Association. At June 30, 2008 there were seven retired employees. Post employment benefits for these retired employees cost \$39,059 for the year ended June 30, 2008. There were no changes in benefit provisions during the year ended June 30, 2008.

WASHINGTON PARISH CLERK OF COURT
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

8. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2008:

	<u>Capital Lease Obligations</u>
Long-term obligations at June 30, 2007	\$ 8,631
Additions, Y/E 06/30/08	15,717
Deductions, Y/E 06/30/08	<u>(5,034)</u>
Long-term obligations at June 30, 2008	<u>\$19,314</u>

A. LEASES

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements. Capital lease obligations for equipment totaled \$19,314 at June 30, 2008.

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2008:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2009	\$11,868
2010	6,389
2011	6,389
2012	<u>5,323</u>
Total minimum lease payments	29,969
Less amounts representing executory cost	<u>(7,220)</u>
Net minimum lease payments	22,749
Less amount representing interest	<u>(3,435)</u>
Present value of net minimum lease payments	<u>\$19,314</u>

WASHINGTON PARISH CLERK OF COURT

Notes to the Financial Statements

As of and for the Year ended June 30, 2008

A. LEASES(Continued)

The Clerk of Court does not have any noncancelable operating leases at June 30, 2008.

9. EXPENDITURES FOR THE CLERK NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the Clerk's office are paid by the Washington Parish Government as required by Louisiana Revised Statute 33:4713. The Clerk's office is located in the Washington Parish Courthouse, and the upkeep and maintenance of the courthouse are paid by the Washington Parish Government. These expenditures are not reflected in the accompanying financial statements.

10. RISK MANAGEMENT

The Washington Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered, in part, by commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court. Settlements have not exceeded insurance coverage in each of the past three years.

WASHINGTON PARISH CLERK OF COURT
 Franklinton, Louisiana
 Governmental Fund – General Fund
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance- Budget (GAAP Basis) and Actual
 Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
REVENUES				
Fees, charges and commissions for services:				
Recordings	\$550,000	\$525,000	\$534,367	\$9,367
Cancellations	15,000	20,000	31,130	11,130
Mortgage certificates	29,000	26,000	23,600	(2,400)
Certified copies	60,000	35,000	31,043	(3,957)
Court attendance	2,000	3,000	4,142	1,142
Criminal fees	75,000	76,000	81,644	5,644
Suits and successions	665,000	580,000	582,767	2,767
Elections	35,000	25,000	13,498	(11,502)
Notarial fees	5,000	4,500	4,087	(413)
Miscellaneous	76,000	116,100	75,414	(40,686)
Marriage licenses	13,000	10,000	6,529	(3,471)
Grant Revenue	-	100,000	138,982	38,982
Interest	<u>19,000</u>	<u>22,000</u>	<u>31,946</u>	<u>9,946</u>
Total Revenues	<u>1,544,000</u>	<u>1,542,600</u>	<u>1,559,149</u>	<u>16,549</u>
EXPENDITURES				
Judiciary:				
Personal services	671,100	810,500	816,918	(6,418)
Employee benefits	289,700	289,700	301,573	(11,873)
Travel	15,500	7,500	8,626	(1,126)
Operating services	264,400	223,700	201,735	21,965
Supplies	125,000	92,000	95,790	(3,790)
Debt service				
Principal	-	-	5,034	(5,034)
Interest and other charges	-	-	1,835	(1,835)
Capital Outlay	<u>10,000</u>	<u>217,000</u>	<u>263,605</u>	<u>(46,605)</u>
Total Expenditures	<u>1,375,700</u>	<u>1,640,400</u>	<u>1,695,116</u>	<u>(54,716)</u>
Excess(Deficiency) of Revenues Over(Under) Expenditures	168,300	(97,800)	(135,967)	(38,167)

The accompanying notes are an integral part of this schedule.

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Governmental Fund – General Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balance- Budget (GAAP Basis) and Actual
Year Ended June 30, 2008
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Over (Under)
OTHER FINANCING SOURCES:				
Capital Lease	<u>-</u>	<u>-</u>	<u>15,717</u>	<u>15,717</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>15,717</u>	<u>15,717</u>
Excess(Deficiency) of Revenues Over(Under) Expenditures And Other Financing Sources	<u>168,300</u>	<u>(97,800)</u>	<u>(120,250)</u>	<u>(22,450)</u>
Fund Balance at Beginning of Year	<u>621,652</u>	<u>621,652</u>	<u>621,652</u>	<u>0</u>
Fund Balance at End of Year	<u>\$789,952</u>	<u>\$523,852</u>	<u>\$501,402</u>	<u>\$(22,450)</u>

The accompanying notes are an integral part of this schedule.

ROBERT A. NEILSON

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ROBERT A. NEILSON

MEMBER

AMERICAN INSTITUTE OF CPA'S
SOCIETY OF LOUISIANA CPA'S

**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 Johnny D. Crain
Washington Parish Clerk of Court
Franklinton, Louisiana

I have audited the financial statements of the Washington Parish Clerk of Court as of and for the year ended June 30, 2008, and have issued my report thereon dated December 23, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington Parish Clerk of Court's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington Parish Clerk of Court's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Washington Parish Clerk of Court's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

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 Washington Parish Clerk of Court's ability to initiate, authorize, record, process, or

report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Washington Parish Clerk of Court's financial statements that is more than inconsequential will not be prevented or detected by the Washington Parish Clerk of Court's internal control. I consider the deficiencies described in the accompanying schedule of corrective action plan for current year audit findings as items 08-1 and 08-2 to be significant deficiencies in internal control over financial reporting.

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 Washington Parish Clerk of Court's internal control.

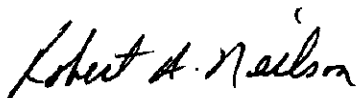
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, both of the significant deficiencies described above as items 08-1 and 08-2 are considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion.

The Washington Parish Clerk of Court's response to the findings identified in my audit is described in the accompanying schedule of corrective action plan for current year audit findings. I did not audit the Washington Parish Clerk of Court's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the Washington Parish Clerk of Court, its management, and the Office of 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.



Certified Public Accountant
Bogalusa, Louisiana
December 23, 2008

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2008

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
Section I – Internal Control and Compliance Material to the Financial Statements				
08-1	Inadequate Segregation of Duties – The size of the Washington Parish Clerk of Court operations and the limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control.	There is no corrective action planned. To hire the personnel to achieve an adequate separation of duties and to implement an adequate system of internal control would not be cost beneficial.	Johnny D. Crain Daphne Phelps Janet Riley	None
08-2	The Washington Parish Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions, or preparing its financial statements including related notes.	The Washington Parish Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP. As a result, the Clerk of Court requested that its independent auditor prepare a draft of the Clerk's financial statements, including the related notes to the financial statements. The Clerk reviewed, approved, and accepted responsibility for those financial statements prior to their issuance. However, management did not perform a detailed review of the financial statements and does not have the ability to evaluate the completeness of financial statement disclosures.	Johnny D. Crain Daphne Phelps Janet Riley	None

08-3

The clerk entered into a Municipal Lease Purchase Agreement on April 29, 2008 for the acquisition of a vehicle. The cost of the vehicle was \$37,177. The public bid law requires that all purchases of materials and supplies exceeding the sum of \$20,000 be advertised and let to the lowest responsible bidder. There was no evidence of advertisement for bids.

The clerk believes that the acquisition of a vehicle under a Municipal Lease Purchase Agreement is not subject to the public bid law; however, the public bid law will be followed for all future purchases of materials and supplies.

Johnny D. Crain

June 30, 2008

WASHINGTON PARISH CLERK OF COURT
Franklinton, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
Section I – Internal Control and Compliance Material to the Financial Statements					
07-1	June 30, 1992	Inadequate segregation of duties – The size of the Washington Parish Clerk of Court operations and limited staff preclude an adequate system of internal control.	None	No corrective action is planned.	It would not be cost beneficial to hire the additional personnel needed to achieve an adequate segregation of duties.
07-2	June 30, 2007	The Washington Parish Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles(GAAP) in recording the entity's financial transactions, or preparing its financial statements including related notes.	None	No corrective action is planned.	It would not be cost beneficial to hire a person qualified to prepare the financial statements.
07-3	June 30, 2007	A \$50,000 time deposit is not secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank which is a violation of state law.	Yes	The \$50,000 time deposit was transferred to another financial institution on November 28, 2007 and is now secured by federal deposit insurance.	None.

Section II – Management Letter

07-4	June 30, 1996	Advance Deposit Fund – The ending balance on the computer “balance sheet” report and the reconciled monthly bank balance do not agree.	Yes	A new software system was installed and the computer balance sheet was reconciled to the bank balance at June 30, 2008.	None.
07-5	June 30, 1996	Advance Deposit Fund – The computer system cannot produce a report of all open suits showing suit number, name, activity, and suit balance at the end of the year.	Yes	A report of all open suits is now available.	None.