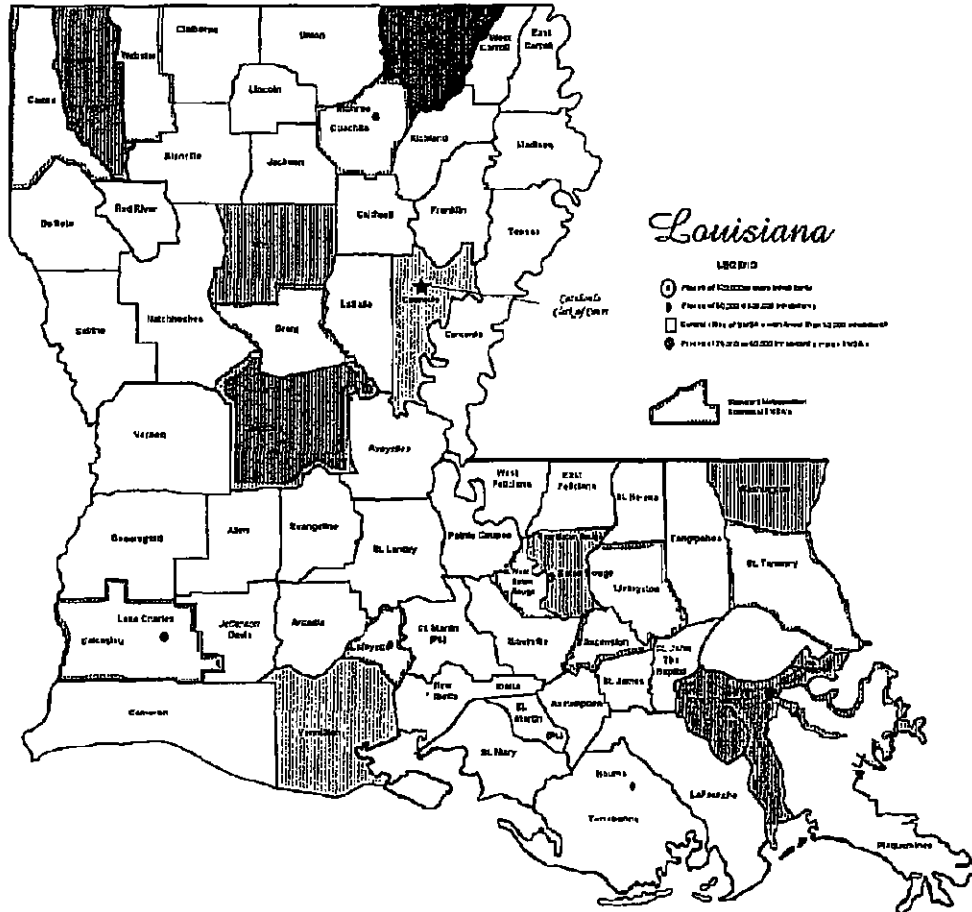


CATAHOULA PARISH CLERK OF COURT
Component Unit Financial Statements
JUNE 30, 2011

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

Release Date **FEB 01 2012**

CATAHOULA PARISH CLERK OF COURT HARRISONBURG, LOUISIANA



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.

**CATAHOULA PARISH CLERK OF COURT
Harrisonburg, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended June 30, 2011**

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John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

INDEPENDENT AUDITOR'S REPORT

Honorable Janet T. Payne
Catahoula Parish Clerk of Court
Harrisonburg, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, a component unit of Catahoula Parish Police Jury, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Catahoula Parish Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Catahoula Parish Clerk of Court, management. Our responsibility is to express an opinion on these statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, Harrisonburg, Louisiana, as of and for the fiscal year ended June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2011 on our consideration of Catahoula Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

John R. Vercher PC

September 26, 2011
Jena, Louisiana

Catahoula Parish Clerk of Court

Honorable Janet Payne, Clerk

PO Box 654

Harrisonburg, Louisiana 71340

Tel: (318) 744-5497

Fax: (318) 744-5488

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic financial statements of the Catahoula Clerk of Court include the general fund (main operating account) and two agency funds (advance deposit account and registry of court fund) where the clerk's office acts in fiduciary manner collecting monies and dispersing them at the court's instructions.

FINANCIAL HIGHLIGHTS

- The assets of the Clerk exceeded its liabilities at the close of the most recent fiscal year by \$51,815 (*net assets*). Of this amount, \$44,620 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Clerk had total revenue of \$442,496, which is a \$47,439 decrease from last year's revenues.
- The Clerk had total expenditures of \$425,886, which is a \$2,435 decrease from last year's expenditures.
- At the end of the current fiscal year, the Clerk had a net change in fund balance of \$16,610, resulting in an ending fund balance of \$129,576.

OVERVIEW OF THE FINANCIAL STATEMENTS:

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include one kind of statement listed below.

- **General Fund**

The General Fund, as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

- **Agency Fund**

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Statement of Net Assets

The following table represents a condensed Comparative Statement of Net Assets as of June 30, 2011:

Assets	<u>2010</u>	<u>2011</u>	<u>% Difference</u>
Current Assets	\$ 114,295	\$ 131,197	14.8
Capital Assets, Net	1,583	7,195	354.5
Total Assets	<u>115,878</u>	<u>138,392</u>	19.4
Liabilities and Net Assets			
Current Liabilities	1,329	1,621	22.0
Non-Current Liabilities	41,795	84,956	103.3
Total liabilities	<u>43,124</u>	<u>86,577</u>	100.8
Net assets			
Invested in Capital Assets, Net of Related Debt	1,583	7,195	354.5
Unrestricted	71,171	44,620	-37.3
Total Net Assets	<u>\$ 72,754</u>	<u>\$ 51,815</u>	-28.8

Changes in Fund Balances

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2011:

	<u>2010</u>	<u>2011</u>	<u>% Difference</u>
Beginning Fund Balances	\$ 51,352	\$ 112,966	120.0
Total Revenues	489,935	442,496	-9.7
Total Expenditures	<u>(428,321)</u>	<u>(425,886)</u>	-0.6
Increase (Decrease) In Fund Balances	<u>61,614</u>	<u>16,610</u>	-73.0
Ending Fund Balances	<u>\$ 112,966</u>	<u>\$ 129,576</u>	14.7

CONTACTING THE CLERK'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens with a general overview of the Clerk's finances and to demonstrate the Clerk's accountability for the money it receives. If you have questions about this report or need additional information, contact Janet Payne, Clerk of the Catahoula Clerk of Court, PO Box 654, Harrisonburg, Louisiana 71340, at (318) 744-5497.



Basic Financial Statements

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Net Assets
June 30, 2011**

	Governmental Activities
Assets	
Cash	\$ 106,302
Investments	15,000
Receivables (Net of Allowances For Uncollectable)	9,895
Capital Assets (Net of Accumulated Depreciation)	<u>7,195</u>
Total Assets	<u><u>138,392</u></u>
Liabilities	
Accounts, Salaries, & Other Payables	1,621
OPEB Obligation	<u>84,956</u>
Total Liabilities	<u><u>86,577</u></u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	7,195
Unrestricted	<u>44,620</u>
Total Net Assets	<u><u>\$ 51,815</u></u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2011**

	PROGRAM REVENUES			Net (Expenses) Revenue	NET (EXPENSES) REVENUES & CHANGES OF PRIMARY GOVERNMENT
	Expenses	Charges for Services	Operating Grants & Contributions		Governmental Activities
Governmental Activities					
General Government	\$ (463,435)	427,731	-0-	(35,704)	(35,704)
Total Governmental Activities	\$ (463,435)	427,731	-0-	(35,704)	(35,704)
General Revenues					
Interest Income					6,582
Other Income					8,183
Total General Revenues					14,765
Change in Net Assets					(20,939)
Net Assets - Beginning					72,754
Net Assets - Ending					\$ 51,815

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2011**

		<u>Governmental Activities</u>
Assets		
Cash	\$	106,302
Investments		15,000
Receivables (Net of Allowances For Uncollectable)		<u>9,895</u>
Total Assets		<u><u>131,197</u></u>
Liabilities		
Accounts, Salaries, & Other Payables		<u>1,621</u>
Total Liabilities		<u><u>1,621</u></u>
Fund Balances		
Fund Balance Unreserved, Unassigned		<u>129,576</u>
Total Liabilities & Fund Balances	\$	<u><u>131,197</u></u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Reconciliation of The Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
June 30, 2011**

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 129,576
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	7,195
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
OPEB Obligation	<u>(84,956)</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 51,815</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011**

	<u>Governmental Activities</u>
Revenues	
Fees & Charges	\$ 427,731
Interest Income	6,582
Other	8,183
Total Revenues	<u>442,496</u>
Expenditures	
Personnel & Related Benefits	323,794
Operating Services	58,678
Travel & Professional Development	15,948
Intergovernmental	20,959
Capital Outlay	6,507
Total Expenditures	<u>425,886</u>
Net Change in Fund Balance	16,610
Fund Balances-Beginning	<u>112,966</u>
Fund Balances-Ending	<u>\$ 129,576</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Reconciliation of The Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2011**

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

Net Change in Fund Balances, Total governmental Funds, Statement E		16,610
Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	<u>6,507</u> <u>(895)</u>	5,612
<p>The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Payroll Related Benefits		<u>(43,161)</u>
Changes in Net Assets of Governmental Activities, statement B		\$ <u>(20,939)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Assets
June 30, 2011**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Assets			
Cash & Cash Equivalents	\$ 144,565	185,269	329,834
Investments	365,943	-0-	365,943
Accounts Receivable	15,364	-0-	15,364
Total Assets	<u>525,872</u>	<u>185,269</u>	<u>711,141</u>
Liabilities			
Held For Others Pending Court Action	<u>525,872</u>	<u>185,269</u>	<u>711,141</u>
Total Liabilities	<u>525,872</u>	<u>185,269</u>	<u>711,141</u>
Net Assets	<u>\$ -0-</u>	<u>-0-</u>	<u>-0-</u>

The accompanying notes are an integral part of this statement.

**Notes to the Basic
Financial Statements**

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 Catahoula Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the police jury, the clerk of court was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

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

C. FUND ACCOUNTING

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

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 are the clerk's governmental funds:

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

General Fund

The General Fund, as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are the agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on the 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

Marriage licenses, fees, charges, and commissions for services are recorded in the year they are earned.

Interest income on time deposits is reported when the time deposits have matured and the income is available.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Expenditures

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

Other Financing Sources and Expenditures

Proceeds from and expenditures for the capital leases are recognized when received or due as an other financing source and expenditure.

Agency Fund

The Agency Fund statements and schedules have been prepared on the modified accrual basis of accounting, with collections recognized in the year they are earned and distributions reflected when liability is incurred.

Government-Wide Financial Statements (GWFS)

These statements include all the financial activities of the clerk. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement NO. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues are derived directly from clerk users as a fee for services; program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

- Capital Assets, Net
- OPEB Obligation

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

E. CASH & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the entity's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at fiscal year-end. All deposits were secured at the year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- *Category 3* – Uncollateralized.

	Bank Balance 6/30/2011
Southern Heritage Bank	\$ 508,705
Catahoula/LaSalle Bank	348,786
Sicity Island Bank	3,000
Total	860,491
 <i>Secured as Follows:</i>	
FDIC (<i>Category – 1</i>)	473,705
Securities held by Bank in Clerk's name (<i>Category – 2</i>)	1,153,718
Uncollateralized (<i>Category – 3</i>)	-0-
Total	\$ 1,627,423

All deposits were fully secured at year end.

F. 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.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

H. ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	10 - 20 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 7 years

J. VACATION & SICK LEAVE

Employees of the Clerk's office earn two weeks of vacation leave and five days of sick leave each two years. The leave must be used in the two years earned. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

K. RESTRICTED NET ASSETS

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

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

L. FUND EQUITY

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

M. AMOUNTS DUE PARISH TREASURY

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, 2011, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

N. 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. RECEIVABLES

The receivables at June 30, 2011, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Advance Deposit Fund</u>
Civil Suits	\$ 9,895	15,364

Allowances for doubtful accounts are considered immaterial and therefore, are not presented.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

3. CAPITAL ASSETS

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

	<u>Balance 6-30-10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-11</u>
Governmental Activities				
Furniture & Equipment	\$ 74,536	6,507	\$ -0-	\$ 81,043
Less Accumulated Depreciation	<u>(72,953)</u>	<u>(895)</u>	<u>-0-</u>	<u>(73,848)</u>
Capital Assets, Net	<u>\$ 1,583</u>	<u>5,612</u>	<u>\$ -0-</u>	<u>\$ 7,195</u>

4. PENSION PLAN

Plan Description. Substantially all employees of the Catahoula Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), 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 the 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 final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504)293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Catahoula Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 14.75 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 Catahoula Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Catahoula Parish Clerk of Court's contributions to the System for the year ending June 30, 2011, was \$38,403, equal to the required contributions for the year.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

5. ACCOUNTS, SALARIES, & OTHER PAYABLES

The payables of \$1,621 at June 30, 2011, are as follows:

<u>Description</u>	<u>General Fund</u>
Accounts	\$ <u>1,621</u>

6. OPERATING LEASES

The Clerk's Office has one operating lease with GMAC for the lease of an automobile originated September 10, 2010, for \$636.98 per month for 36 months. Future lease payments are as follows:

<u>Future Lease Payments Due</u>	
2012	\$ 7,644
2013	7,644
2014	<u>1,911</u>
Total	\$ <u>17,199</u>

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Catahoula Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Healthcare Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees through the clerk's group health insurance plan. Benefit provisions are established by the Catahoula Parish Clerk of Court. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ending June 30, 2010, the Catahoula Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the beginning other post employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding Policy. The Catahoula Parish Clerk of Court contributes 50% of the cost of current year premiums for eligible retired employees. For the year ended June 30, 2011, the Catahoula Parish Clerk of Court contributed \$3,038, to the plan.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Annual OPEB Cost and Net OPEB Obligation. The clerk's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Catahoula Parish Clerk of Court has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the clerk's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the clerk's net OPEB obligation to the retiree healthcare plan.

Annual required contribution	\$45,363
Interest on net OPEB obligation	836
Adjustment to annual required contribution	-0-
Annual OPEB cost (expense)	46,199
Contributions made	(3,038)
Increase in net OPEB obligation	43,161
Net OPEB obligation at beginning of year	41,795
Net OPEB obligation at end of year	\$84,956

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the clerk's office.

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2003 United States Life Tables for Males and for Females, revised March, 2007, were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.5% initially, increased to an ultimate rate of 6.1% after ten years, was used.

Health insurance premiums - 2009 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - A long-term inflation assumption of 3.9% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Based on the historical and expected returns of the clerk's short-term investments, a discount rate of 2.00% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011, was twenty-nine years.

8. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH POLICE JURY

The Clerk of Court's Office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse are, as required by Louisiana law, paid by the Catahoula Parish Police Jury. These expenditures are not included in the accompanying financial statements.

9. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	<u>Balance</u> <u>6-30-10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6-30-11</u>
Advance Deposit Fund	\$ 546,416	355,909	(376,453)	\$ 525,872
Registry of Court Fund	232,453	380,336	(427,520)	185,269
Total	<u>\$ 778,869</u>	<u>736,245</u>	<u>(803,973)</u>	<u>\$ 711,141</u>

Required Supplemental Information

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Schedule of Funding Progress - Retiree Healthcare Plan
June 30, 2011
(Unaudited)**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	None	\$295,472	\$295,472	0.00%	251,529	117.47%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2010, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

See Auditor's report

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2011

	Budget Amounts		Actual Amounts Budgetary Basis	Budget Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees & Charges	\$ 428,000	323,800	427,731	103,931
Interest Income	-0-	6,500	6,582	82
Other	-0-	80,000	8,183	(71,817)
Total Revenues	428,000	410,300	442,496	32,196
Expenditures				
Personnel & Related Benefits	320,000	330,000	323,794	6,206
Operating Services	57,000	95,100	58,678	36,422
Travel & Professional Development	34,000	2,100	15,948	(13,848)
Intergovernmental	17,000	15,500	20,959	(5,459)
Capital Outlay	-0-	-0-	6,507	(6,507)
Total Expenditures	\$ 428,000	442,700	425,886	16,814
Net Change in Fund Balance			16,610	
Fund Balances-Beginning			112,966	
Fund Balances-Ending			129,576	

The accompanying notes are an integral part of this statement.

Other Supplemental Information

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathamvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

**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 Janet T. Payne
Catahoula Parish Clerk of Court

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, Harrisonburg, Louisiana, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Catahoula Clerk of Court's basic financial statements and have issued our report thereon dated September 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. **(2011-I-1 Advance Deposit Fund Reconciliation)**. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

The Catahoula Parish Clerk of Court's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. We did not audit the Catahoula Parish Clerk of Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

John R. Vercher PC

Jena, Louisiana
September 26, 2011

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2011**

Section II Financial Statement Findings

2011-I-1 Advance Deposit Fund Reconciliation

Condition: The Clerk's automated system for accounting for advance deposit funds does not allow for the reconciliation of the liability of that fund with the cash on hand. This internal control weakness does not allow the office to determine that the cash on hand is adequate to cover the liabilities of the fund.

Criteria: Good internal controls include the ability of an entity to be able to reconcile cash held in trust funds to the liability amount of those funds.

Cause of Condition: The office is not financially capable of purchasing a software program that will allow this reconciliation process.

Effect of Condition: Significant internal control weakness.

Recommendation: The office should purchase or upgrade its computer software to allow a reconciliation of the liability of the advance deposit fund with the cash on hand.

Client Response and Corrective Action: Discussions with the Clerk in August 2010 found that the office will change or purchase new software to allow the reconciliation of the liability of the Advance Deposit Fund with the cash on hand when the office is financially able to fund such an endeavor.

Contact Person: Janet Payne

Anticipated Completion Date: June 30, 2012

Section III Federal Awards Findings and Questioned Costs

Not applicable.

CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
JUNE 30, 2011

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Clerk of Court, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2010.

PRIOR YEAR FINDINGS

2010-I-1 Advance Deposit Fund Reconciliation (Unresolved)

Finding: The Clerk's Office's automated system for accounting for advance deposit funds does not allow for the reconciliation of the liability of that fund with the cash on hand. This internal control weakness does not allow the office to determine that the cash on hand is adequate to cover the liabilities of the fund.

Entity's Corrective Action: The Clerk's Office will change their new software to allow the reconciliation of the liability of the Advance Deposit Fund with the funds on hand when the office can finance such as endeavor. The Office transferred accumulated interest income from the fund.

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Catahoula Clerk of Court's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2011-M-1 Deletion of old Transactions

Comment: Old outstanding checks in the advanced deposit account need to be adjusted out of books.

Client Response: The Clerk's Office will adjust old outstanding checks from the books of the advanced deposit account.