

**LAFAYETTE PARISH CLERK OF COURT**

Financial Report

Year Ended June 30, 2014

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance- governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities	12
Statement of fiduciary net position	13
Notes to basic financial statements	14-32
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	34
Schedule of Funding Progress	35
OTHER SUPPLEMENTARY INFORMATION	
Comparative statement of net position	37
General Fund:	
Comparative balance sheet	39
Budgetary comparison schedule - revenues, expenditures, and changes in fund balance - compared to actual for prior year	40
Budgetary comparison schedule - revenues - compared to actual for prior year	41-42
Budgetary comparison schedule - expenditures - compared to actual for prior year	43-44
Fiduciary Funds:	
Combining statement of assets and liabilities	46
Combining statement of changes in assets and liabilities	47
Combined schedule of interest-bearing deposits - all funds	48

(continued)

TABLE OF CONTENTS (continued)

	<u>Page</u>
<b>INTERNAL CONTROL AND COMPLIANCE</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	50-51
Summary schedule of current and prior year audit findings and corrective action plan	52

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA  
Cheryl L. Bartley, CPA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Kristin B. Dautzat, CPA  
Jane R. Hebert, CPA  
W. Jeffrey Lowry, CPA  
Brad E. Kolder, CPA, JD  
Casey L. Ardoin, CPA  
Daidre L. Stock, CPA  
Karan V. Fontenot, CPA

## INDEPENDENT AUDITORS' REPORT

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2782  
Fax (337) 363-3049

133 East Waddell St.  
Markville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-8933

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:  
Conrad O. Chapman, CPA\* 2006

\* A Professional Accounting Corporation

The Honorable Louis J. Perret  
Lafayette Parish Clerk of Court  
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Clerk of Court's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in note 15 to the basic financial statements, the Clerk of Court has a prior period adjustment. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and schedule of funding progress on pages 34 through 35 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.

The Lafayette Parish Clerk of Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Other information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Clerk of Court's basic financial statements. The comparative and combining statements and schedules included on pages 37 through 48 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative and combining statements and the combined schedule of interest-bearing deposits on pages 37, 39 and 46 through 48 are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative and combining statements and the combined schedule of interest-bearing deposits are fairly stated in all material respects, in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the Lafayette Parish Clerk of Court's 2013 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules on pages 40 through 44 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2014 on our consideration of the Lafayette Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lafayette Parish Clerk of Court's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 5, 2014

**BASIC FINANCIAL STATEMENTS**

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



LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Statement of Net Position  
June 30, 2014

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 9,922,725
Accounts receivable	302,301
Insurance stop loss receivable	85,616
Due from other governmental units	28,941
Accrued interest	401
Prepaid expenditures	28,789
Inventory	<u>6,954</u>
Total current assets	10,375,727
Noncurrent assets:	
Capital assets, net	<u>520,322</u>
Total assets	<u>10,896,049</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts and other payables	248,997
Due to other governmental agencies	<u>9,858</u>
Total current liabilities	<u>258,855</u>
Noncurrent liabilities:	
Compensated absences	855,379
Net OPEB obligation	<u>5,410,810</u>
Total noncurrent liabilities	<u>6,266,189</u>
Total liabilities	<u>6,525,044</u>
<b>NET POSITION</b>	
Net investment in capital assets	520,322
Unrestricted	<u>3,850,683</u>
Total net position	<u>\$ 4,371,005</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Statement of Activities  
For the Year Ended June 30, 2014

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 10,290,785</u>	<u>\$ 8,493,386</u>	<u>\$ 151,874</u>	<u>\$(1,645,525)</u>
		General revenues:		
				34,641
				294,445
				<u>279,865</u>
			Total general revenues and transfers	<u>608,951</u>
			Change in net position	(1,036,574)
			Net position - July 1, 2013	<u>5,407,579</u>
			Net position - June 30, 2014	<u>\$ 4,371,005</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2014

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 5,881
Interest-bearing deposits	9,916,844
Receivables:	
Accounts receivable	302,301
Insurance stop loss receivable	85,616
Due from other governmental agencies	28,941
Accrued interest	401
Prepaid expenditures	28,789
Inventory	<u>6,954</u>
 Total assets	 <u>\$10,375,727</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Cash overdraft	\$ 11,589
Accounts payable	65,014
Claims payable	45,026
Payroll liabilities payable	122,915
Due to other governmental agencies	<u>9,858</u>
Total liabilities	<u>254,402</u>
 Fund balance:	
Nonspendable (prepaid expenditures and inventory)	35,743
Unassigned	<u>10,085,582</u>
Total fund balance	<u>10,121,325</u>
 Total liabilities and fund balance	 <u>\$10,375,727</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2014

Total fund balance for the governmental fund at June 30, 2014		\$ 10,121,325
Cost of capital assets at June 30, 2014	\$ 3,353,675	
Less: Accumulated depreciation	<u>(2,833,353)</u>	520,322
Noncurrent liabilities at June 30, 2014:		
Compensated absences payable	(855,379)	
Net OPEB obligation payable	<u>(5,410,810)</u>	(6,266,189)
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 the governmental fund		
Claims payable		<u>(4,453)</u>
Total net position of governmental activities at June 30, 2014		<u>\$ 4,371,005</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
For the Year Ended June 30, 2014

	<u>General Fund</u>
<b>Revenues:</b>	
Licenses and permits	\$ 382,505
Fees, charges and commissions -	
Court costs, fees and charges	349,286
Fees for recording legal documents	6,830,985
Fees for certified copies	930,610
Intergovernmental	431,739
Miscellaneous	<u>329,086</u>
Total revenues	<u>9,254,211</u>
 <b>Expenditures:</b>	
Current -	
General government:	
Personnel services and related benefits	7,007,066
Operating services	857,801
Material and supplies	908,791
Appropriations to Lafayette Parish Government	306,885
Capital outlay	<u>79,515</u>
Total expenditures	<u>9,160,058</u>
 Excess of revenues over expenditures	  94,153
 Fund balance, beginning of year, as restated	 <u>10,027,172</u>
 Fund balance, end of year	 <u>\$ 10,121,325</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2014

Total net change in fund balance for the year ended June 30, 2014 per the statement of revenues, expenditures and changes in fund balance		\$ 94,153
Add: Capital outlay costs which are considered as expenditures on the statement of revenues, expenditures, and changes in fund balance	\$ 79,515	
Less: Depreciation expense for year ended June 30, 2014	<u>(254,799)</u>	(175,284)
Differences between amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements.		
Claims payable	5,091	
Compensated absences payable	18,948	
OPEB obligation payable	<u>(979,482)</u>	<u>(955,443)</u>
Total change in net position for the year ended June 30, 2014 per statement of activities		<u>\$(1,036,574)</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Statement of Fiduciary Net Position  
June 30, 2014

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 605,582
Interest-bearing deposits	<u>11,777,606</u>
Total assets	<u>\$12,383,188</u>
<b>LIABILITIES</b>	
Due to litigants and others	<u>\$12,383,188</u>

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



LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lafayette Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

The accompanying basic financial statements of the 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.

**LAFAYETTE PARISH CLERK OF COURT**  
Lafayette, Louisiana

**Notes to the Basic Financial Statements (Continued)**

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

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements (FFS)**

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

The major fund of the Clerk of Court is described below:

**Governmental Fund -**

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and is used to account for the operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, the Clerk of Court reports the following fund type:

**Fiduciary Funds -**

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Election Qualifying Fund – accounts for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

**C. Measurement Focus/Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

**LAFAYETTE PARISH CLERK OF COURT**  
**Lafayette, Louisiana**

**Notes to the Basic Financial Statements (Continued)**

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

**Basis of Accounting**

In the government-wide statement of net position and statement of activities, the governmental activities reflects the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include fees and charges paid by the recipients for goods or services offered by the programs.

Inventory

Inventory in the Clerk of Court's General Fund consists of copies of historical books produced and published by the Clerk of Court for sale to the general public. The books are recorded at cost, which is lower than market at June 30, 2014.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives for furniture, fixtures, and equipment range from five to ten years.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 12 days of personal leave each year. Vacation leave must be used in the year earned. Upon resignation or retirement, employees are paid for unused vacation leave at the employee's current rate of pay. Personal leave may be accumulated to a maximum of 90 days and carried over to succeeding years. Employees are paid for unused personal leave upon termination or retirement.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2014.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the other two components and is available for general use by the Clerk of Court.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

- a. **Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. **Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. **Committed** – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Clerk of Court.
- d. **Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Clerk of Court.
- e. **Unassigned** – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Clerk of Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk of Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk of Court has provided otherwise in his commitment or assignment actions.

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. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2014, there was no amount due to the parish treasurer even though the General Fund's fund balance at June 30, 2014 exceeded one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office because the Lafayette Parish Clerk of Court did not receive any funds from the parish treasurer in accordance with R.S. 13:784(A) during the current term of office.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character and Function

F. Budgetary and Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments, except for capital outlay, were not material in relation to the original appropriations.



LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2014.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$22,305,913 as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash	\$ 5,881	\$ 605,582	\$ 611,463
Time and money market deposits	<u>9,916,844</u>	<u>11,777,606</u>	<u>21,694,450</u>
Total	<u>\$ 9,922,725</u>	<u>\$ 12,383,188</u>	<u>\$22,305,913</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2014, and the related federal insurance and pledged securities:

Bank balances	<u>\$23,048,402</u>
Federal insurance	\$ 6,174,794
Pledged securities	<u>16,873,608</u>
Total federal insurance and pledged securities	<u>\$23,048,402</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Deposits in the amount of \$16,873,608 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in Clerk of Court's name (considered to be Category 3 deposits). The Clerk of Court does not have a formal written policy for custodial credit risk.

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2014 consisted of the following:

General Fund:

Amount due from State of Louisiana - Non-support program	<u>\$ 28,941</u>
--	------------------

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2014 is as follows:

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
Furniture, fixtures and equipment	\$3,582,218	\$ 79,515	\$ 308,058	\$3,353,675
Less: Accumulated depreciation	<u>2,886,612</u>	<u>254,799</u>	<u>308,058</u>	<u>2,833,353</u>
Net capital assets	<u>\$ 695,606</u>	<u>\$ (175,284)</u>	<u>\$ -</u>	<u>\$ 520,322</u>

Depreciation expense of \$254,799 was charged to the general government function.

(5) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2014:

	<u>General Fund</u>
Cash overdraft	\$ 11,589
Accounts	65,014
Claims payable	49,479
Payroll liabilities	<u>122,915</u>
Total	<u>\$248,997</u>

Excess funds on deposit for the risk management program are held in an interest bearing account and transferred to the operating account as checks clear the bank. Cash overdrafts of \$11,589, consisted of outstanding checks in the risk management program operating account.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(6) Pension Plan

Plan Description. – Substantially all employees of the Clerk of Court, except part-time and temporary employees, 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 3.33% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Effective January 1, 2011, the retirement age increased to 65 and the amount paid monthly for life was changed to equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. Effective January 1, 2011, the age for this benefit increased to 65 years of age. 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% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The rate as of June 30, 2014 was 18.50% of annual covered payroll. Effective July 1, 2013, the Clerk of Court has elected to pay the member's share of the required contribution equal to 8.25% of their annual covered salary. 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 Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk of Court's contributions to the System for the years ended June 30, 2014, 2013, and 2012 were \$1,092,567, \$868,015, and \$684,021, respectively.

(7) Post-Retirement Health Care and Life Insurance Benefits

Plan Description: In accordance with the Employer Health and Welfare Benefit Plan established in November 1986, the Clerk of Court provides certain continuing health care and life insurance benefits for its retired employees. The plan is a single-employer defined benefit health care plan administered by the Clerk of Court. The Clerk of Court has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

**Funding Policy:** The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 42%) and the Clerk of Court (approximately 58%). Until 2008, the Clerk of Court recognized the cost of providing these benefits (the Clerk of Court's portion of premiums) as an expenditure when the monthly premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective July 1, 2008, the 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 funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

For the fiscal year ending June 30, 2014, the Clerk of Court's portion of health care funding cost for retired employees totaled \$191,000. These amounts were applied toward the Net OPEB Benefit Obligation as shown below.

**Annual Required Contribution:** the Clerk of Court's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year ending June 30, 2014 is \$1,270,486 for post-employment benefits, as set forth below:

Normal Cost	\$ 544,763
30-year UAL amortization amount	<u>725,723</u>
Annual required contribution	<u>\$ 1,270,486</u>

**Net Post-employment Benefit Obligation (Asset):** The table below shows the Clerk of Court's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2014:

Annual required contribution	\$ 1,270,486
Interest on OPEB obligation	177,253
Adjustment to annual required contribution	<u>(277,257)</u>
Annual OPEB cost	1,170,482
Contributions made	<u>(191,000)</u>
Change in Net OPEB Obligation	979,482
Net OPEB obligation - beginning of year	<u>4,431,328</u>
Net OPEB obligation - end of year	<u>\$ 5,410,810</u>

The Clerk of Court's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset) for 2012, 2013 and 2014 follows:

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 1,170,482	16.3%	\$ 5,410,810
6/30/2013	1,131,477	13.8%	4,431,328
6/30/2012	1,090,034	12.4%	3,456,180

**Funded Status and Funding Progress:** In the fiscal year ending June 30, 2014, the Clerk of Court made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2014, the Actuarial Accrued Liability (AAL) was \$12,402,167, which is defined as that portion, as determined by a particular actuarial cost method (Clerk of Court uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2014, the entire actuarial accrued liability of \$12,402,167 was unfunded.

Actuarial accrued liability (AAL)	\$ 12,402,167
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 12,402,167</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 4,469,613
UAAL as a percentage of covered payroll	277%

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. In accordance with GASB Statement No. 45, the Clerk of Court qualifies for valuations on a tri-annual basis. The latest actuarial valuation was performed on July 1, 2011.

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Clerk of Court's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

**LAFAYETTE PARISH CLERK OF COURT**  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

In the July 1, 2011 actuarial valuation the projected unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. Retirement Rates

<u>Age</u>	<u>Rate</u>
55	25%
56-59	5%
60-74	75%
75	100%

3. Withdrawal Rates

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
18	5%	31	11%
19	11%	32-33	10%
20	21%	34-35	9%
21	19%	36-37	6%
22	18%	38-40	5%
23-26	16%	41-43	4%
27	15%	44-52	3%
28	14%	53-68	2%
29	13%	69-70	1%
30	12%	71+	0%

**LAFAYETTE PARISH CLERK OF COURT**  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

4. Disability Rates

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
28-33	0.01%	47-48	0.33%
34	0.02%	49	0.50%
35	0.03%	50-52	0.37%
36	0.04%	53	0.55%
37	0.05%	54	0.50%
38	0.08%	55	0.44%
39-42	0.15%	56	0.30%
43	0.17%	57	0.24%
44	0.26%	58	0.21%
45	0.27%	59	0.08%
46	0.30%	60+	0.00%

5. 100% of employees are assumed to elect continued coverage in retirement.
6. 25% of employees are assumed to have a covered spouse in retirement (no dependent children are assumed).
7. Female spouses are assumed to be three years younger than male spouses, on average.
8. Per Capita Health Costs (Monthly)

<u>Age</u>	<u>Retiree</u>		<u>Spouse</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	719	756	719	757
60	891	859	891	860
64	1,113	1,026	1,113	1,030
65	286	275	286	275
70	344	323	344	323
75	412	379	412	379
80	477	434	477	434
85	540	493	540	493

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

9. Medical Inflation

Year	Medical, Dental and Vision Without Medicare
2011-2012	7.10%
2012-2013	6.90%
2013-2014	6.40%
2014-2015	5.90%
2015-2019	5.80%
2019-2078	5.70%
2078-2079	4.50%
2079-2080	4.40%
2080-2082	4.30%
2082 and after	4.20%

(8) Risk Management

A. Commercial Insurance Coverage

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

B. Group Self-Insurance

The Clerk of Court maintains a limited risk management program for group hospitalization insurance. The Clerk of Court has contracted Gilsbar Health and Benefit Managements to act as the third party administrator for the program. An excess of coverage insurance policy covers individual claims in excess of \$40,000 per year and \$1,028,848 per lifetime.

The General Fund participates in the program. The claims liability of \$45,026 reported in the General Fund at June 30, 2014 is based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The Clerk of Court currently does not discount its claims liabilities. Changes in the claims liability, including claims that have been incurred but not reported are as follows:



LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year End
2012 - 2013	\$ 83,053	\$ 1,109,321	\$ 1,086,324	\$ 106,050
2013 - 2014	106,050	929,931	986,501	49,480

(9) Changes in Agency Fund Balances

The following is a summary of changes in agency fund unsettled deposits for the year ended June 30, 2014:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$ 5,836,875	\$ 6,471,779	\$ 6,327,834	\$ 5,980,820
Registry of Court	5,671,728	2,463,746	1,733,686	6,401,788
Election Qualifying	579	1	-	580
Totals	<u>\$11,509,182</u>	<u>\$ 8,935,526</u>	<u>\$ 8,061,520</u>	<u>\$12,383,188</u>

(10) Operating Leases

The Clerk of Court is contracted under one vehicle lease agreement and two property leases. The vehicle lease is \$849 monthly and expires in March, 2016. The property leases are: \$2,000 monthly, expiring June 30, 2018 with the option to renew for two additional four-year terms; and \$3,000 monthly, expiring March 1, 2017.

In addition, the Clerk of Court leases twelve copiers under operating leases ranging from 39 to 48 months and expiring at various dates from August, 2015 through December, 2017.

Future minimum lease payments are as follows:

2015	\$ 107,712
2016	98,326
2017	61,761
2018	27,125
Total	<u>\$ 294,924</u>

Lease expense for the year ended June 30, 2014 was \$104,266.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(11) Changes in Compensated Absences

The following is a summary of compensated absence transactions of the Clerk of Court for the year ended June 30, 2014:

	<u>Balance</u> <u>7/1/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2014</u>
Compensated absences	\$ 874,327	\$ 407,197	\$ 426,145	\$ 855,379

(12) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 50% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$149,328 for the year ended June 30, 2014.

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

(13) Expenditures Paid by the Lafayette City-Parish Consolidated Government

The Clerk of Court's office is located in the Lafayette Parish Courthouse. The Lafayette City-Parish Consolidated Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements. Income relating to court reporting attendance, maintenance agreements and capital outlay required to be paid by the Lafayette City-Parish Consolidated Government are reported as revenues. During the year ended June 30, 2014, the required payments by the Lafayette City-Parish Consolidated Government were not received by the Clerk of Court but are reflected as appropriation expenditures.

(14) Litigation

At June 30, 2014, the Clerk of Court is involved in one lawsuit claiming damages. In the opinion of the Clerk of Court's legal counsel, the only exposure to the Clerk of Court would be any costs in defense of the lawsuit with no liability to the Clerk of Court in excess of insurance coverage.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(15) Restatement of Fund Balance

During the fiscal year ended June 30, 2013, the Clerk of Court restated the fund balance of the General Fund for a correction of an accounting error in recording the current portion of compensated absences payable at the fund level. The effect of the restatement is as follows:

	Nonspendable Fund Balance	Unassigned Fund Balance	Total
Fund balances, previously reported as of June 30, 2013	\$ 31,296	\$9,629,816	\$ 9,661,112
Correction of error in recordation of current portion of compensated absences	-	366,060	366,060
Fund balances, as restated as of June 30, 2013	\$ 31,296	\$9,995,876	\$10,027,172

(16) New Accounting Pronouncements

In June, 2012 the GASB approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the Louisiana Clerks' of Court Retirement and Relief Fund for the year ending June 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the Clerk of Court for the year ending June 30, 2015. The effect of implementation of these statements on the Clerk of Court's financial statements has not yet been determined.

(17) Subsequent Event Review

The Clerk of Court has evaluated subsequent events through September 5, 2014, the date which the financial statements were available to be issued.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**LAFAYETTE PARISH CLERK OF COURT**  
Lafayette, Louisiana

**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2014**

	<u>Budget</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Licenses and permits	\$ 322,000	\$ 376,500	\$ 382,505	\$ 6,005
Fees, charges and commissions -				
Court costs, fees and charges	369,160	342,430	349,286	6,856
Fees for recording legal documents	7,084,500	6,695,050	6,830,985	135,935
Fees for certified copies	700,000	910,300	930,610	20,310
Intergovernmental	385,000	371,000	431,739	60,739
Miscellaneous	<u>331,500</u>	<u>340,453</u>	<u>329,086</u>	<u>(11,367)</u>
<b>Total revenues</b>	<u>9,192,160</u>	<u>9,035,733</u>	<u>9,254,211</u>	<u>218,478</u>
<b>Expenditures:</b>				
<b>Current -</b>				
<b>General government:</b>				
Personnel services and related benefits	7,371,491	7,099,995	7,007,066	92,929
Operating services	854,000	877,661	857,801	19,860
Material and supplies	832,900	1,022,500	908,791	113,709
Appropriations to Lafayette Parish				
Government	270,900	296,400	306,885	(10,485)
Capital outlay	<u>186,500</u>	<u>159,000</u>	<u>79,515</u>	<u>79,485</u>
<b>Total expenditures</b>	<u>9,515,791</u>	<u>9,455,556</u>	<u>9,160,058</u>	<u>295,498</u>
<b>Excess (deficiency) of revenues</b>				
<b>over expenditures</b>	(323,631)	(419,823)	94,153	513,976
<b>Fund balance, beginning of year, as restated</b>	<u>10,027,172</u>	<u>10,027,172</u>	<u>10,027,172</u>	-
<b>Fund balance, end of year</b>	<u>\$9,703,541</u>	<u>\$ 9,607,349</u>	<u>\$10,121,325</u>	<u>\$ 513,976</u>

**LAFAYETTE PARISH CLERK OF COURT**  
Lafayette, Louisiana

Schedule of Funding Progress - Other Post Employment Benefits  
For the Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2011	\$ -	\$10,842,901	\$10,842,901	0.0%	\$4,211,679	257%
July 1, 2008	\$ -	\$ 8,884,257	\$ 8,884,257	0.0%	\$4,175,173	213%

**OTHER SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Comparative Statement of Net Position  
June 20, 2014 and 2013

	Governmental Activities	
	2014	2013
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 9,922,725	\$ 10,230,866
Accounts receivable	302,301	313,179
Insurance stop loss receivable	85,616	52,212
Due from other governmental units	28,941	12,507
Accrued interest	401	462
Prepaid expenditures	28,789	24,155
Inventory	6,954	7,141
Total current assets	10,375,727	10,640,522
Noncurrent assets:		
Capital assets, net	520,322	695,606
Total assets	10,896,049	11,336,128
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	248,997	614,983
Due to other governmental units	9,858	7,911
Total current liabilities	258,855	622,894
Noncurrent liabilities:		
Compensated absences	855,379	874,327
Net OPEB obligation	5,410,810	4,431,328
Noncurrent liabilities	6,266,189	5,305,655
Total liabilities	6,525,044	5,928,549
<b>NET POSITION</b>		
Net investment in capital assets	520,322	695,606
Unrestricted	3,850,683	4,711,973
Total net position	\$ 4,371,005	\$ 5,407,579



## **GENERAL FUND**

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and is used to account for the operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in the fund. General operating expenditures are paid from this fund.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Comparative Balance Sheet  
June 30, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
Cash	\$ 5,881	\$ 5,881
Interest-bearing deposits	9,916,844	10,224,985
Receivables:		
Accounts receivable	302,301	313,179
Insurance stop loss receivable	85,616	52,212
Due from other governmental agencies	28,941	12,507
Accrued interest	401	462
Prepaid expenditures	28,789	24,155
Inventory	6,954	7,141
Total assets	\$10,375,727	\$ 10,640,522
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Cash overdraft	\$ 11,589	\$ 112,664
Accounts payable	65,014	280,750
Claims payable	45,026	96,506
Payroll liabilities payable	122,915	115,519
Due to other governmental agencies	9,858	7,911
Total liabilities	254,402	613,350
Fund balance:		
Nonspendable (prepaid expenditures and inventory)	35,743	31,296
Unassigned	10,085,582	9,995,876
Total fund balance, as restated	10,121,325	10,027,172
Total liabilities and fund balance, as restated	\$10,375,727	\$ 10,640,522

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule -  
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Licenses and permits	\$ 322,000	\$ 376,500	\$ 382,505	\$ 6,005	\$ 296,724
Fees, charges and commissions -					
Court costs, fees and charges	369,160	342,430	349,286	6,856	371,335
Fees for recording legal documents	7,084,500	6,695,050	6,830,985	135,935	6,944,843
Fees for certified copies	700,000	910,300	930,610	20,310	728,735
Intergovernmental	385,000	371,000	431,739	60,739	414,915
Miscellaneous	331,500	340,453	329,086	(11,367)	315,443
<b>Total revenues</b>	<u>9,192,160</u>	<u>9,035,733</u>	<u>9,254,211</u>	<u>218,478</u>	<u>9,071,995</u>
<b>Expenditures:</b>					
Current -					
General government:					
Personnel services and related benefits	7,371,491	7,099,995	7,007,066	92,929	6,782,286
Operating services	854,000	877,661	857,801	19,860	772,157
Material and supplies	832,900	1,022,500	908,791	113,709	1,085,200
Appropriations to Lafayette Parish Government	270,900	296,400	306,885	(10,485)	286,261
Capital outlay	186,500	159,000	79,515	79,485	66,807
<b>Total expenditures</b>	<u>9,515,791</u>	<u>9,455,556</u>	<u>9,160,058</u>	<u>295,498</u>	<u>8,992,711</u>
Excess (deficiency) of revenues over expenditures	(323,631)	(419,823)	94,153	513,976	79,284
Fund balance, beginning of year, as restated	<u>10,027,172</u>	<u>10,027,172</u>	<u>10,027,172</u>	-	<u>9,947,888</u>
Fund balance, end of year, as restated	<u>\$9,703,541</u>	<u>\$9,607,349</u>	<u>\$10,121,325</u>	<u>\$513,976</u>	<u>\$10,027,172</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014		Actual	Variance - Positive (Negative)	2013 Actual
	Budget				
	Original	Final			
<b>Licenses and permits:</b>					
Marriage licenses	\$ 54,000	\$ 53,500	\$ 53,598	\$ 98	\$ 49,830
Passports	68,000	60,000	57,600	(2,400)	59,900
Birth/death certificates	<u>200,000</u>	<u>263,000</u>	<u>271,307</u>	<u>8,307</u>	<u>186,994</u>
Total licenses and permits	<u>322,000</u>	<u>376,500</u>	<u>382,505</u>	<u>6,005</u>	<u>296,724</u>
<b>Fees, charges and commissions:</b>					
Court costs, fees and charges -					
Criminal costs	230,000	216,000	219,393	3,393	224,796
Court attendance reporting	27,000	27,000	27,020	20	26,000
Other	<u>112,160</u>	<u>99,430</u>	<u>102,873</u>	<u>3,443</u>	<u>120,539</u>
Total court costs, fees and charges	<u>369,160</u>	<u>342,430</u>	<u>349,286</u>	<u>6,856</u>	<u>371,335</u>
<b>Fees for recording legal documents:</b>					
Recordings	2,700,000	2,460,000	2,528,570	68,570	2,601,907
Index search	14,000	8,550	9,200	650	13,540
Cancellations	420,000	353,000	356,177	3,177	414,187
Mortgage certificates	80,500	68,500	66,575	(1,925)	82,941
Suits and successions	3,800,000	3,735,000	3,801,286	66,286	3,764,293
UCC filing	<u>70,000</u>	<u>70,000</u>	<u>69,177</u>	<u>(823)</u>	<u>67,975</u>
Total fees for recording legal documents	<u>7,084,500</u>	<u>6,695,050</u>	<u>6,830,985</u>	<u>135,935</u>	<u>6,944,843</u>
Certified copies	<u>700,000</u>	<u>910,300</u>	<u>930,610</u>	<u>20,310</u>	<u>728,735</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues (Continued)  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014		Actual	Variance - Positive (Negative)	2013 Actual
	Budget				
	Original	Final			
<b>Intergovernmental:</b>					
Charges reimbursable by parish government	200,000	200,000	279,865	79,865	260,261
Federal grant - non-support	<u>185,000</u>	<u>171,000</u>	<u>151,874</u>	<u>(19,126)</u>	<u>154,654</u>
<b>Total intergovernmental</b>	<u>385,000</u>	<u>371,000</u>	<u>431,739</u>	<u>60,739</u>	<u>414,915</u>
<b>Miscellaneous:</b>					
Interest earned	35,000	30,500	34,641	4,141	35,682
Elections	54,500	9,803	9,803	-	44,765
Other	<u>242,000</u>	<u>300,150</u>	<u>284,642</u>	<u>(15,508)</u>	<u>234,996</u>
<b>Total miscellaneous</b>	<u>331,500</u>	<u>340,453</u>	<u>329,086</u>	<u>(11,367)</u>	<u>315,443</u>
<b>Total revenues</b>	<u>\$9,192,160</u>	<u>\$9,035,733</u>	<u>\$9,254,211</u>	<u>\$218,478</u>	<u>\$9,071,995</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			Variance - Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
<b>Expenditures:</b>					
<b>Current -</b>					
<b>Personnel services and related benefits -</b>					
<b>Salaries:</b>					
Clerk	\$ 143,623	\$ 145,986	\$ 145,986	\$ -	\$ 138,960
Deputy clerks	4,635,000	4,395,000	4,309,268	85,732	4,256,528
Clerk's expense allowance	14,118	14,359	14,359	-	13,656
Clerk's supplemental fund	50,000	49,650	49,800	(150)	48,000
Unemployment	-	10,000	10,468	(468)	-
Hospitalization claims, net	1,255,000	1,170,000	1,163,899	6,101	1,262,979
Payroll taxes, retirement and compensated absences	<u>1,273,750</u>	<u>1,315,000</u>	<u>1,313,286</u>	<u>1,714</u>	<u>1,062,163</u>
Total personnel services and related benefits	<u>7,371,491</u>	<u>7,099,995</u>	<u>7,007,066</u>	<u>92,929</u>	<u>6,782,286</u>
<b>Operating services -</b>					
Insurance	45,000	44,911	42,045	2,866	44,673
Professional fees	58,300	56,000	56,997	(997)	49,158
UCC filing	65,000	67,000	68,520	(1,520)	65,947
Telephone	35,000	36,000	35,416	584	32,465
Travel and conventions	6,500	11,850	11,642	208	7,678
Election expense allowance	17,000	2,190	2,190	-	16,633
Copier expense	65,000	66,000	67,030	(1,030)	65,863
Computer operations	350,000	315,000	278,404	36,596	285,331
Parking fees	33,000	35,896	33,144	2,752	32,099
Training	8,000	7,975	7,975	-	8,037
Center for family violence contribution	161,000	223,000	236,310	(13,310)	151,172
Workers' compensation	8,200	10,493	10,493	-	8,160
Miscellaneous	<u>2,000</u>	<u>1,346</u>	<u>7,635</u>	<u>(6,289)</u>	<u>4,941</u>
Total operating services	<u>854,000</u>	<u>877,661</u>	<u>857,801</u>	<u>19,860</u>	<u>772,157</u>

(continued)

**LAFAYETTE PARISH CLERK OF COURT**  
**Lafayette, Louisiana**  
**General Fund**

**Budgetary Comparison Schedule - Expenditures (Continued)**  
**For the Year Ended June 30, 2014**  
**With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014			Variance - Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
<b>Materials and supplies -</b>					
Office supplies and operations	801,900	942,750	828,876	113,874	963,600
Automobile and maintenance	16,000	15,200	15,592	(392)	15,172
Dues and subscription	5,000	4,000	3,757	243	4,033
Leases and rentals	-	56,400	56,400	-	32,400
Uniforms	10,000	4,150	4,166	(16)	69,995
Total materials and supplies	<u>832,900</u>	<u>1,022,500</u>	<u>908,791</u>	<u>113,709</u>	<u>1,085,200</u>
<b>Appropriations to Lafayette City-Parish Consolidated Government -</b>					
Operating revenues and expenditures unreimbursed	<u>270,900</u>	<u>296,400</u>	<u>306,885</u>	<u>(10,485)</u>	<u>286,261</u>
<b>Capital outlay -</b>					
Office equipment	6,500	22,000	21,888	112	5,172
Computer equipment	150,000	50,000	57,177	(7,177)	19,615
Computer software	30,000	87,000	450	86,550	42,020
Total capital outlay	<u>186,500</u>	<u>159,000</u>	<u>79,515</u>	<u>79,485</u>	<u>66,807</u>
<b>Total expenditures</b>	<u>\$9,515,791</u>	<u>\$9,455,556</u>	<u>\$ 9,160,058</u>	<u>\$295,498</u>	<u>\$8,992,711</u>

## **FIDUCIARY FUNDS**

### **Advance Deposit Fund -**

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

### **Registry of Court Fund -**

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon specific court order.

### **Election Qualifying Fund -**

The Election Qualifying Fund is used to account for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.



LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
Fiduciary Funds

Combining Statement of Fiduciary Assets and Liabilities  
June 30, 2014  
With Comparative Totals for June 30, 2013

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Election Qualifying</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
<b>ASSETS</b>					
Cash	\$ -	\$ 605,582	\$ -	\$ 605,582	\$ 605,581
Interest-bearing deposits	<u>5,980,820</u>	<u>5,796,206</u>	<u>580</u>	<u>11,777,606</u>	<u>10,903,601</u>
Total assets	<u>\$ 5,980,820</u>	<u>\$ 6,401,788</u>	<u>\$ 580</u>	<u>\$ 12,383,188</u>	<u>\$ 11,509,182</u>
<b>LIABILITIES</b>					
Due to litigants and others	<u>\$ 5,980,820</u>	<u>\$ 6,401,788</u>	<u>\$ 580</u>	<u>\$ 12,383,188</u>	<u>\$ 11,509,182</u>

**LAFAYETTE PARISH CLERK OF COURT**  
**Lafayette, Louisiana**  
**Fiduciary Funds**

Combining Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2014  
With Comparative Totals For the Year Ended June 30, 2013

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Election Qualifying</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
<b>ASSETS</b>					
Balances, beginning of year	<u>\$5,836,875</u>	<u>\$ 5,671,728</u>	<u>\$ 579</u>	<u>\$ 11,509,182</u>	<u>\$ 10,513,973</u>
Additions:					
Suits and successions	6,471,779	-	-	6,471,779	6,323,375
Deposits per court order	-	2,449,828	-	2,449,828	12,026,422
Interest earned	-	13,918	1	13,919	18,379
Total additions	<u>6,471,779</u>	<u>2,463,746</u>	<u>1</u>	<u>8,935,526</u>	<u>18,368,176</u>
 Total	<u>12,308,654</u>	<u>8,135,474</u>	<u>580</u>	<u>20,444,708</u>	<u>28,882,149</u>
Reductions:					
Clerk's costs (transferred to General Fund)	3,801,792	-	-	3,801,792	3,762,369
Refunds to litigants	1,209,905	-	-	1,209,905	1,116,338
Other	661,366	-	-	661,366	557,340
Interest earned (transferred to General Fund)	-	14,202	-	14,202	100,877
Lafayette Parish Sheriff fees	464,963	-	-	464,963	449,729
Other Sheriff fees	189,808	-	-	189,808	174,487
Disbursements by court order	-	1,719,484	-	1,719,484	11,211,827
Total reductions	<u>6,327,834</u>	<u>1,733,686</u>	<u>-</u>	<u>8,061,520</u>	<u>17,372,967</u>
Balances, end of year	<u>\$5,980,820</u>	<u>\$ 6,401,788</u>	<u>\$ 580</u>	<u>\$ 12,383,188</u>	<u>\$ 11,509,182</u>
<b>LIABILITIES</b>					
Due to litigants and others, beginning of year	<u>\$5,836,875</u>	<u>\$ 5,671,728</u>	<u>\$ 579</u>	<u>\$ 11,509,182</u>	<u>\$ 10,513,973</u>
Additions	6,471,779	2,463,746	1	8,935,526	18,368,176
Reductions	<u>6,327,834</u>	<u>1,733,686</u>	<u>-</u>	<u>8,061,520</u>	<u>17,372,967</u>
Due to litigants and others, end of year	<u>\$5,980,820</u>	<u>\$ 6,401,788</u>	<u>\$ 580</u>	<u>\$ 12,383,188</u>	<u>\$ 11,509,182</u>

**LAFAYETTE PARISH CLERK OF COURT**  
Lafayette, Louisiana

**Combined Schedule of Interest-Bearing Deposits - All Funds**  
June 30, 2014

	<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Amount</u>
<b>General Fund -</b>					
Certificate of deposit	I	0.30%	6 month	02/21/15	\$ 100,000
Certificate of deposit	R	0.30%	1 year	11/06/14	100,000
Interest-bearing deposits	I	variable	N/A	N/A	1,396,886
Interest-bearing deposits	I	variable	N/A	N/A	2,584
Interest-bearing deposits	I	variable	N/A	N/A	3,864
Interest-bearing deposits	I	variable	N/A	N/A	8,131,131
Interest-bearing deposits	I	variable	N/A	N/A	<u>182,380</u>
<b>Total General Fund</b>					<u><b>9,916,845</b></u>
<b>Advance Deposit Fund -</b>					
Certificate of deposit	R	0.30%	1 year	10/24/14	500,000
Certificate of deposit	M	0.15%	1 year	10/01/14	500,000
Certificate of deposit	C	0.10%	1 year	04/28/15	500,000
Certificate of deposit	T	0.55%	1 year	08/11/14	500,000
Certificate of deposit	H	0.80%	8 month	02/13/15	200,000
Certificate of deposit	B	0.99%	1 year	06/12/15	75,000
Certificate of deposit	B	0.99%	1 year	06/12/15	75,000
Certificate of deposit	B	0.99%	1 year	06/12/15	50,000
Interest-bearing deposits	Ch	variable	N/A	N/A	<u>3,580,820</u>
<b>Total Advance Deposit Fund</b>					<u><b>5,980,820</b></u>
<b>Registry of the Court Fund -</b>					
Interest-bearing deposits	I	variable	N/A	N/A	<u>5,796,206</u>
<b>Total Registry of the Court Fund</b>					<u><b>5,796,206</b></u>
<b>Election Qualifying Fund -</b>					
Interest-bearing deposits	I	variable	N/A	N/A	<u>580</u>
<b>Total - all funds</b>					<u><b>\$ 21,694,451</b></u>

**Financial Institution:**

- (M) Mid-South Bank
- (I) Iberia Bank
- (R) Rayne State Bank
- (Ch) Chase Bank
- (C) Community First Bank
- (T) Tri-Parish Bank

**INTERNAL CONTROL  
AND  
COMPLIANCE**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Penny Angella Scruggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA  
Cheryl L. Bartley, CPA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Kristin B. Dauzat, CPA  
Jane R. Habert, CPA  
W. Jeffrey Lowry, CPA  
Brad E. Kolder, CPA, JD  
Casey L. Ardoin, CPA  
Deidre L. Stock, CPA  
Karen V. Fontenot, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-9660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (885) 384-2020  
Fax (885) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville, LA 71351  
Phone (318) 253-8252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9633

WEB SITE  
[WWW.KCSRPCAS.COM](http://WWW.KCSRPCAS.COM)

Retired:  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Louis J. Perret  
Lafayette Parish Clerk of Court  
Lafayette, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Clerk of Court's basic financial statements and have issued our report thereon dated September 5, 2014.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lafayette Parish Clerk of Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Lafayette Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Clerk of Court's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and corrective action plan, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of current and prior year audit findings and corrective action plan as item 2014-001(IC) to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lafayette Parish Clerk of Court's financial statements are free from 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*.

## **Lafayette Parish Clerk of Court's Response to Findings**

The Lafayette Parish Clerk of Court's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Lafayette Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 5, 2014

LAFAYETTE PARISH CLERK OF COURT

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2014

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Completion Date</u>
<b>CURRENT YEAR (6/30/14) --</b>						
<u>Internal Control:</u>						
2014-001(IC)	06/30/07	The 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.	No	The Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Louis J. Perret, Clerk of Court	N/A
<b>PRIOR YEAR (6/30/13) --</b>						
<u>Internal Control:</u>						
2013-001(IC)	06/30/07	The 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.	No	The Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Louis J. Perret, Clerk of Court	N/A