

**St. John the Baptist Parish
Clerk of Court
Edgard, Louisiana**

FINANCIAL STATEMENTS

June 30, 2014



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com | blog.cricpa.com

St. John the Baptist Parish Clerk of Court
Table of Contents
June 30, 2014

REPORT

Independent Auditors' Report	1
------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis	4
--------------------------------------	---

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10

Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11
Reconciliation of the Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Fiduciary Funds:	
Statement of Assets and Liabilities	15

Notes to Financial Statements	16
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund	
Budget and Actual	28
Schedule of Revenues, Expenditures, and Changes in Fund Balance – East Bank	
Expense Fund Budget and Actual	29
Notes to the Required Supplementary Information	30
Schedule of Funding Progress – Other Post-Employment Benefits	31

OTHER SUPPLEMENTARY INFORMATION

Fiduciary Fund Type – Agency Funds:	
Fiduciary Fund Type Description	32
Combining statement of changes in Assets and Liabilities – Agency Funds	33



St. John the Baptist Parish Clerk of Court
Table of Contents
June 30, 2014

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34
Schedule of Findings and Responses	36
Summary Schedule of Prior Year Findings	39



Carr, Riggs & Ingram, LLC
3501 North Causeway Boulevard
Suite 810
Metairie, Louisiana 70002

(504) 837-9116
(504) 837-0123 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court (the "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 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.

Auditor's 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 from 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 auditor's 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 Clerk of Court'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 Clerk of Court'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, each major fund, and the aggregate remaining fund information of the Clerk of Court as of June 30, 2014, and the respective changes in financial position 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 11 to the financial statements, certain errors, which required a restatement, were discovered by management of the Clerk of Court during the current year. Our opinions are not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4-8), Schedule of Funding Progress – Other Post-Employment Benefits (page 31), and budgetary comparison information (pages 28-30) 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The Combining Statement of Changes in Assets and Liabilities- Agency Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Changes in Assets and Liabilities - Agency Funds is the responsibility of management and were derived from and relate 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 Combining Statement of Changes in Assets and Liabilities- Agency Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2014 on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Clerk of Court's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, LLC

December 8, 2014

**REQUIRED SUPPLEMENTARY INFORMATION:
MANAGEMENT'S DISCUSSION AND ANALYSIS**

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the St. John the Baptist Parish Clerk of Court’s (the “Clerk of Court”) financial report presents our discussion and analysis of the Clerk of Court’s financial performance during the year that ended on June 30, 2014. Please read it in conjunction with the Clerk of Court’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net Position of government-wide activities decreased by approximately \$116,000 or about 38%.
- The assets of the Clerk of Court exceeded its liabilities by approximately \$192,000 at June 30, 2014. Of this amount, approximately \$39,000 is net investment in capital assets net of related debt. The Clerk of Court has an unrestricted net position of approximately \$153,000 in governmental activities.
- During the year, the Clerk of Court had expenses of \$1,987,783, which was \$200,816 more than the \$1,786,967 of revenue generated by governmental programs during the year. This compares to the prior year, when expenses exceeded revenues by \$107,531, as restated.
- Governmental funds reported an ending fund balance of \$525,836, which is a \$15,308 decrease from the prior year ending net position balance of \$541,144, as restated.
- Total governmental fund revenues were \$1,872,057 in the current year, an increase of \$32,812 from prior year revenues, as restated.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management’s Discussion and Analysis (this section), the Basic financial Statements, and Required Supplementary Information. The Basic financial Statements include two kinds of statements that present different views of the Clerk of Court.

The first two statements are Government-Wide Financial Statements that provide both long-term and short-term information about the Clerk of Court’s overall financial status.

The remaining statements are Fund Financial Statements that focus on individual funds of the Clerk of Court, reporting the Clerk of Court’s operations in more detail than the Government-Wide Statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements report information about the Clerk of Court as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Clerk of Court's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-Wide Statements report the Clerk of Court's net position and how they have changed. The balance of net position is an indicator of the financial well-being of the Clerk of Court. Increases and decreases in net position are an indicator of whether its financial health is improving or declining.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the Clerk of Court's most significant funds – not the entity as a whole. Funds are accounting devices that governments use to keep track of specific sources of funding and spending for particular purposes. The Clerk of Court has two (2) governmental funds to account for the numerous funding sources provided annually, both of which are considered major funds and presented individually in the financial statements. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods. Governmental fund financial statements focus on how money flows in and out of those funds, the balances that are left at year-end, and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements are reconciled in the fund financial statements.

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

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. The Budgetary Comparison Schedule reports the original and final amended budget adopted by the Clerk of Court as well as the actual activities and how they compare to the final budgeted numbers.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The assets of the Clerk of Court exceeded its liabilities by approximately \$192,000 at June 30, 2014. Approximately 80% of net position is unrestricted with the other 20% consisting of net investment in capital assets. The Clerk of Court uses these capital assets, which consist entirely of furniture and equipment, as part of its daily operations. Consequently, these assets are not available for future spending. The following table reflects condensed information on the Clerk of Court's net position:

	6/30/2013 (as restated)	6/30/2014	Dollar Change	Percent Change
Current and other assets	\$ 552,904	\$ 550,586	\$ (2,318)	0%
Capital assets	52,985	39,203	(13,782)	-26%
Total assets	605,889	589,789	(16,100)	-3%
Current liabilities	11,760	24,750	12,990	110%
Noncurrent liabilities	286,457	373,093	86,636	30%
Total liabilities	298,217	397,843	99,626	33%
Net Investment in capital assets	52,985	39,203	(13,782)	-26%
Unrestricted	254,687	152,743	(101,944)	-40%
Total Net Position	\$ 307,672	\$ 191,946	\$ (115,726)	-38%

The Clerk of Court did not have any net position subject to restrictions in the current year. Generally, restricted net position relates to any surplus fund balance for the Eastbank Expense Fund, a special revenue fund. Due to the Eastbank Expense Fund operating at a deficit in the current year; however, there was no restricted net position in the current year.

The Clerk of Court's total revenues for the year in governmental activities were \$1,872,057 (\$1,786,967 in program revenues and \$85,090 in general revenues). This is a decrease of less than 1% from the prior year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Looking at funds helps you consider whether the Clerk of Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The focus of the Clerk of Court's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Clerk of Court's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Clerk of Court's governmental funds reported combined ending fund balances of approximately \$526,000, a decrease of approximately \$15,000, as restated, in comparison with the prior year. The total combined governmental fund balance at year end was considered to be an *unassigned*.

The General Fund is the primary fund of the Clerk of Court. As of June 30, 2014, the General Fund had an unassigned fund balance of \$767,207, an increase of approximately \$67,372, as restated, over the prior year. The increase is a result of program activity of the Clerk of Court during the year. As a measure of the General Fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Unassigned fund balance represents 46% of total General Fund expenditures compared to 44%, as restated, in the prior year.

The fund balance of the Eastbank Expense ("Eastbank") special revenue fund decreased by \$82,680 during the current fiscal year due to a decrease in fee collections. This resulted in a deficit at year-end of \$241,371, which is reported as an unassigned fund balance. The deficit is related primarily to an outstanding payable to the General Fund for Eastbank employees' salary expenses.

BUDGETARY HIGHLIGHTS

The Clerk of Court's budget is prepared according to Louisiana law. During the course of the year, the Clerk of Court revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less, or anticipated expenditures in excess, of budgetary goals by 5% or more. The original budget for the Clerk of Court was adopted on June 17, 2013 and the final revised budget was adopted on November 26, 2014.

A statement reporting the Clerk of Court's original and final budgets compared with actual operating results is provided in the Schedules beginning on page 28.

A comparison of actual results as of June 30, 2014 and the original budget for the General Fund are as follows:

	Original Budget	Actual	Difference
Total revenues	\$ 1,707,800	\$ 1,734,817	\$ 27,017
Total expenditures	1,672,752	1,667,445	(5,307)
<u>Net change in fund balance</u>	<u>\$ 35,048</u>	<u>\$ 67,372</u>	<u>\$ 32,324</u>

CAPITAL ASSETS

Capital assets include office furniture and equipment recorded at a historical cost of \$404,771. Accumulated depreciation as of June 30, 2014 of \$365,568 recorded from the cost of assets resulted in an ending book balance of \$39,203.

This year there were no additions and \$43,460 in deletions recorded to capital assets. Depreciation expense of \$13,782 was recorded for the year. More detailed information about the capital assets is presented in Note 4 to the financial statements.

ECONOMIC AND OTHER FACTORS BEARING ON THE CLERK'S FUTURE

Historically, the Clerk of Court's office staff and costs remain relatively stable and should continue to do so. The Clerk's office anticipates a similar amount of program revenues in the following year, which would lead to a similar change in fund balance next year.

REQUESTS FOR INFORMATION

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

Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
P.O. Box 280
Edgard, Louisiana 70049

BASIC FINANCIAL STATEMENTS

**St. John the Baptist Parish Clerk of Court
Statement of Net Position**

<i>June 30, 2014</i>	Governmental Activities
Cash and cash equivalents	\$ 385,882
Certificates of deposit	100,056
Receivables, net of allowances for uncollectibles	21,658
Due from other governments	42,990
Capital assets being depreciated, net	39,203
<hr/>	
Total Assets	\$ 589,789
<hr/>	
Accounts payable and other current liabilities	\$ 24,750
Long term liabilities:	
Due in more than one year	373,093
<hr/>	
Total Liabilities	397,843
<hr/>	
Net investment in capital assets	39,203
Unrestricted	152,743
<hr/>	
Total Net Position	\$ 191,946
<hr/>	

The accompanying notes are an integral part of this statement.

**St. John the Baptist Parish Clerk of Court
Statement of Activities**

Function/Programs	Expenses	Program Revenues	Charges for Services	Net (Expense) Revenue and Change in Net Position
			Governmental Activities	
Governmental Activities				
General government	\$ 1,987,783	\$ 1,786,967		\$ (200,816)
General Revenues:				
				85,090
				(115,726)
				357,672
				(50,000)
				307,672
				\$ 191,946

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Clerk of Court
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	East Bank Expense Special Revenue Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 383,726	\$ 2,156	\$ 385,882
Certificates of deposit	100,056	-	100,056
Receivables, net of allowance for uncollectibles	21,658	-	21,658
Due from other governments	29,077	13,913	42,990
Due from other funds	257,440	-	257,440
Total assets	\$ 791,957	\$ 16,069	\$ 808,026
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 24,750	\$ -	\$ 24,750
Due to other funds	-	257,440	257,440
Deferred revenue	-	-	-
Total liabilities	24,750	257,440	282,190
Fund balance:			
Unassigned (deficit)	767,207	(241,371)	525,836
Total fund balance (deficit)	767,207	(241,371)	525,836
Total liabilities and fund balances	\$ 791,957	\$ 16,069	\$ 808,026

The accompanying notes are an integral part of this statement.

**St. John the Baptist Parish Clerk of Court
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

For the year ended June 30,

2014

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

Fund Balances, Total Governmental Funds		\$ 525,836
---	--	------------

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

Governmental capital assets	404,771	
Less accumulated depreciation	<u>(365,568)</u>	
		39,203

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the governmental funds:

Compensated absences	(11,968)	
OPEB liability	<u>(361,125)</u>	
		<u>(373,093)</u>

<u>Net Position of Governmental Activities</u>		<u>\$ 191,946</u>
--	--	-------------------

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Clerk of Court
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
June 30, 2014

	General Fund	East Bank Expense Special Revenue Fund	Total Governmental Funds
REVENUES			
Licenses and permits	\$ 9,187	\$ -	\$ 9,187
Fees, charges and commissions:			
Court costs, fees and charges	659,008	137,222	796,230
Recording legal documents	823,134	-	823,134
Certified copies	83,288	-	83,288
Intergovernmental revenues:			
State - child support fees	37,542	-	37,542
Other intergovernmental revenues	37,586	-	37,586
Interest	85,072	18	85,090
Total revenues	1,734,817	137,240	1,872,057
EXPENDITURES			
Current:			
General government:			
Personnel salaries and related benefits	1,356,603	212,807	1,569,410
Operating services	224,555	5,577	230,132
Materials and supplies	86,287	1,536	87,823
Total expenditures	1,667,445	219,920	1,887,365
Net Change in Fund Balances	67,372	(82,680)	(15,308)
Fund balances (Deficit) - beginning of year	749,835	(158,691)	591,144
Restatement	(50,000)	-	(50,000)
Fund balances (Deficit) - beginning of year (restated)	699,835	(158,691)	541,144
Fund balances (Deficit) - end of year	\$ 767,207	\$ (241,371)	\$ 525,836

The accompanying notes are an integral part of this statement.

**St. John the Baptist Parish Clerk of Court
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

For the year ended June 30, 2014

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

Net Change in Fund Balances, Total Governmental Funds	\$ (15,308)
---	-------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(13,782)
----------------------	----------

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:

Increase in compensated absences, net	(4,627)
---------------------------------------	---------

Increase in OPEB obligation	(82,009)
-----------------------------	----------

Change in Net Position of Governmental Activities	\$ (115,726)
---	--------------

The accompanying notes are an integral part of this statement .

**St. John the Baptist Parish Clerk of Court
Statement of Assets and Liabilities
Fiduciary Funds**

<i>For the year ended June 30, 2014</i>		Agency Funds
Assets		
Cash and cash equivalents	\$	530,708
Certificates of deposit		2,809,807
Total assets	\$	3,340,515
Liabilities		
Due to litigants and others	\$	3,340,515
Total liabilities	\$	3,340,515

The accompanying notes are an integral part of this statement.

St. John the Baptist Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. John the Baptist Parish Clerk of Court (the “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. The more significant of the Clerk of Court’s accounting policies are described below.

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 their office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the St. John the Baptist Parish (the “Parish”) School Board, other independently elected officials, and municipalities within the Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Clerk of Court. The effect of interfund activity has been removed from these statements.

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.

St. John the Baptist Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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. 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 expenditures/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 expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Governmental Funds:

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.

East Bank Expense Special Revenue Fund - As provided by Louisiana Revised Statute 13:851, an additional cost is assessed in all criminal cases of which the Fortieth Judicial District Court has jurisdiction. This additional cost provides support for the Clerk of Court's branch office located on the east bank of the Mississippi River. The collection of the additional cost and related expenses of the east bank office are accounted for in 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.

St. John the Baptist Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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.

Criminal Juror Fund - accounts for funds from the Parish for criminal court proceedings pending court actions.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 Clerk of Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required by accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgetary Accounting

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. 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. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing. 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. All budgetary appropriations lapse at the end of each fiscal year.

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.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, cash includes all demand, savings accounts, and certificates of deposit with less than three months of maturity of the Clerk of Court.

St. John the Baptist Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include furniture, fixtures, 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 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 accompanying 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. Furniture, fixtures and equipment have an estimated useful life of 5 to 10 years

Compensated Absences

Employees of the Clerk of Court's office earn five (5) to twenty (20) days of vacation leave each year depending on length of service. In addition, employees earn twelve (12) days of sick leave each year. Employees may carry over five (5) days of vacation leave based on their anniversary date. Sick leave may accumulate indefinitely up to two hundred forty (240) hours. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation at the employee's current rate of pay.

Equity Classifications

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

- a. Net Investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net positions with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

St. John the Baptist Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

Effective July 1, 2010, the Clerk of Court implemented the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund balance for the Clerk of Court's governmental funds is reported depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form (such as inventories and prepaid amounts) 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 action of the government's highest level of decision-making authority.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
- e. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Clerk of Court's General Fund.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Positions.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions including allowance for bad debts. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

St. John the Baptist Clerk of Court
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through December 8, 2014, the date the financial statements were available to be issued.

NOTE 2: CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2014, the Clerk of Court had the following cash and certificates of deposit as follows:

Governmental Funds	\$ 485,938
Fiduciary Funds	3,340,515
Total	\$ 3,826,453

Under State law, the bank balances of these deposits 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 or exceed the amount on deposit with the fiscal agent. At year-end, the bank balance was fully secured both the amount insured by the FDIC or collateralized with securities held by the Clerk of Court's agent in the Clerk's name.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name.

The Clerk of Court does not have an investment policy for custodial credit risk. However, the Clerk of Court does not maintain any investments and is, therefore, not exposed to custodial credit risk.

Credit Risk of Debt Investments

The Clerk of Court does not maintain any debt investments and is, therefore, not exposed to credit risk of debt investments.

Concentration of Credit Risk

The Clerk of Court does not maintain any investments and is, therefore, not exposed to concentration of credit risk.

Interest Rate Risk

The Clerk of Court does not maintain any investments and is, therefore, not exposed to interest rate risk.

**St. John the Baptist Clerk of Court
Notes to Financial Statements**

NOTE 3: DUE FROM OTHER GOVERNMENTS

At June 30, 2014, the Clerk of Court had the following amounts due from other governments:

<i>General Fund</i>	
St. John the Baptist Parish Sheriff's Department	\$ 21,978
State of Louisiana	3,889
District Attorney for the Fortieth District	2,850
District Court for the Fortieth Judicial District	60
Public Defender for the 40 th District	300
	29,007
<i>Eastbank Expenses Fund</i>	
St. John the Baptist Parish Sheriff's Department	13,913
Total	\$ 42,990

NOTE 4: CAPITAL ASSETS

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2014 is as follows:

	Balance 6/30/13	Additions	Disposals	Balance 6/30/14
Furniture, fixtures & equipment	\$ 448,231	\$ -	\$ (43,460)	\$ 404,771
Less: Accumulated depreciation	(395,246)	(13,782)	43,460	(365,568)
Net capital assets	\$ 52,985	\$ (13,782)	\$ -	\$ 39,203

Depreciation expense of \$13,782 was charged to the general government function.

NOTE 5: PENSION PLAN

Plan Description - Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (the "System"), a cost sharing and 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 enrolled to a retirement benefit, payable monthly for life, 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. The System also provides death and disability benefits. Benefits are established and amended by State statute. The Clerk of Court Retirement and Relief Fund issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of

St. John the Baptist Clerk of Court Notes to Financial Statements

NOTE 5: PENSION PLAN (Continued)

Court Retirement and Relief Fund at 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

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 current rate is 17.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the 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 pays employee and employer pension contributions. The Clerk of Court's contributions to the System for the years ending June 30, 2014, 2013, and 2012, were \$228,013, \$239,982, and \$270,214, respectively, equal to the required contributions for each year.

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN

Effective with the fiscal year beginning July 1, 2009, the Clerk of Court implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (GASB 45). The requirements of GASB 45 are being implemented prospectively. Accordingly, for financial reporting purposes, no liability is reported for postemployment benefits liability at the date of transition.

Plan Description. The Clerk's defined benefit postemployment health care plan ("the Retiree Health Plan") provides medical, dental, vision and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Association.

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. Retirees are required to pay 50% of the premium charged by the LCCA for retirees and 100% for their dependents. For fiscal year 2014, the Clerk contributed \$26,498 to the plan and the retirees contributed \$12,383.

Annual OPEB Cost and Net OPEB Obligation. For 2014, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost 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 cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

**St. John the Baptist Clerk of Court
Notes to Financial Statements**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (Continued)

Beginning Net OPEB Obligation 7/1/2013	\$ 279,116
Annual Required Contribution	113,403
Interest on Net OPEB Obligation	9,769
ARC Adjustment	(14,663)
Annual OPEB Cost	108,509
Contributions Made	(26,500)
Increase in Net OPEB Obligation	82,009
Ending Net OPEB Obligation 6/30/2014	\$ 361,125

The Clerk's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations are as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 108,509	24.4%	\$ 361,125
6/30/2013	\$ 109,835	31.2%	\$ 279,116
6/30/2012	\$ 88,439	32.8%	\$ 203,522

Funded Status and Funding Progress. As of June 30, 2014, the actuarial accrued liability for benefits was \$1,023,818, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$945,574, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 108.27%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding 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 multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

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.

**St. John the Baptist Clerk of Court
Notes to Financial Statements**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (Continued)

In the July 1, 2012 actuarial valuation, the unit credit cost method was used. Based on the Clerk of Court's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced to an ultimate rate of 5.5% after 15 years. The Clerk of Court's unfunded actuarial liability is being amortized over 30 years.

NOTE 7: CHANGES IN COMPENSATED ABSENCES

The following is a summary of compensated absences of the Clerk of Court for the year ending June 30, 2014:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14
Compensated absences	\$ 7,341	\$ 38,432	\$ (33,805)	\$ 11,968

NOTE 8: EXPENDITURES PAID BY THE ST. JOHN THE BAPTIST PARISH COUNCIL

The Clerk of Court's office is located in the Parish courthouse. The expenditures for maintenance and operation of the Parish courthouse are paid by the St. John the Baptist Parish Council and are not included in the accompanying financial statements. The amount of these expenditures paid by the Parish Council is indeterminate.

NOTE 9: DEFERRED COMPENSATION PLAN

The Clerk of Court employees have the option of becoming participants in the State of Louisiana Deferred Compensation Plan. This Plan was established pursuant to IRC Section 457 and Louisiana R.S. 42:1301-1308. The Plan provides state, parish, and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal or state income tax on their contributions. In addition, interest or earnings on the participant's account accumulate tax-deferred.

Participants can contribute up to a maximum of 100% of compensation, not to exceed \$17,000 beginning in the 2012 calendar year. Additionally, if age 50 or older, participants may elect the Age 50+ provision to defer an additional \$5,500 beginning in 2012 above the annual deferral limit.

The Clerk of Court agreed to match each participant's contribution up to a maximum of 6% for the year ending June 30, 2014. Total contributions made by the Clerk of Court on behalf of the employees for the year ending June 30, 2014 were \$26,033. Withdrawals from the plan occur at retirement, separation from service, death, or proven financial hardship (unforeseeable emergency as defined by the Plan).

St. John the Baptist Clerk of Court Notes to Financial Statements

NOTE 10: NEW ACCOUNTING PRONOUNCEMENTS

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 have been implemented by the Clerk of Court for the year ending June 30, 2014.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* in June 2012. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. Statement No. 67, *Financial Reporting for Pension Plans*, revises existing standards of financial reporting for most pension plans. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. This Statement is effective for fiscal years beginning after June 15, 2014.

The GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

The Clerk of Court is currently assessing the impact of GASB 68 and GASB 71 on the financial statements for the year ended June 30, 2015.

NOTE 11: RESTATEMENT

In the June 30, 2013 financial statements, the Clerk improperly reported a transfer of funds from Child Support account to Salary bank account as revenue and receivable. On June 30, 2014 financial statements, the Clerk restated the prior year balances. This prior period adjustment is presented as an adjustment to the beginning net position in the General Fund's Statement of Revenues, Expenditures and Changes in Fund Balances. This prior period adjustment is also presented as an adjustment to the beginning Net Position in the government-wide Statement of Activities.

	As presented June 30, 2013	Prior Period Adjustment	As restated June 30, 2013
<u>General Fund</u>			
Due from other governments	\$ 73,670	\$ (50,000)	\$ 23,670
Fund Balance	749,835	(50,000)	699,835
Change in Fund Balance	172,476	(50,000)	122,476

St. John the Baptist Clerk of Court
Notes to Financial Statements

NOTE 11: RESTATEMENT (Continued)

	As presented June 30, 2013	Prior Period Adjustment	As restated June 30, 2013
<u>Governmental Activities</u>			
Due from other governments	\$ 85,983	\$ (50,000)	\$ 35,983
Net Position	357,672	(50,000)	307,672
Change in Net Position	(8,623)	(50,000)	(58,623)

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

St. John the Baptist Parish Clerk of Court
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund

For the year ended June 30, 2014

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Licenses and permits	\$ 8,680	\$ 9,187	\$ 507
Fees, charges and commissions:			
Court costs, fees and charges	655,960	659,008	3,048
Fees for recording legal documents	897,440	823,134	(74,306)
Fees for certified copies	62,690	83,288	20,598
Intergovernmental	38,040	75,128	37,088
Interest	44,990	85,072	40,082
Total Revenues	1,707,800	1,734,817	27,017
Expenditures			
Current:			
General government:			
Personnel services and related benefits	1,382,512	1,356,603	25,909
Operating services	195,240	224,555	(29,315)
Materials and supplies	61,000	86,287	(25,287)
Professional fees	4,000	-	4,000
Capital outlay	30,000	-	30,000
Total Expenditures	1,672,752	1,667,445	5,307
Net Change in Fund Balance	35,048	67,372	32,324
Fund Balance, Beginning of Year (as restated)	620,540	699,835	79,295
Fund Balance, End of Year	\$ 655,588	\$ 767,207	\$ 111,619

The accompanying note is in an integral part of this schedule.

St. John the Baptist Parish Clerk of Court
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
East Bank Expense Fund

For the year ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fees, charges and commissions:				
Court costs, fees and charges	\$160,630	\$ 137,200	\$ 137,222	\$ 22
Interest	10	-	18	18
Total Revenues	160,640	137,200	137,240	40
Expenditures				
Current:				
General government:				
Personnel services and related benefits	168,788	212,800	212,807	(7)
Operating services	7,750	5,600	5,577	23
Materials and supplies	3,530	1,500	1,536	(36)
Capital Outlay	2,000	-	-	-
Total Expenditures	182,068	219,900	219,920	(20)
Net Change in Fund Balance	(21,428)	(82,700)	(82,680)	20
Fund Balance, Beginning of Year	68,855	(158,700)	(158,691)	9
Fund Balance (Deficit), End of Year	\$ 47,427	\$(241,400)	\$(241,371)	\$ 29

The accompanying note is in an integral part of this schedule.



**St. John the Baptist Clerk of Court
Notes to Required Supplementary Information**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Budgets for the General Fund and Eastbank Expense Special Revenue Fund are legally adopted by the Clerk of Court on a basis consistent with generally accepted accounting principles (GAAP).

**St. John the Baptist Clerk of Court
Schedule of Funding Progress: Other Post-Employment Benefits**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age	Unfunded AAL	Funded Ratio	Covered Payroll	UAAAL as Percentage Covered Payroll
6/30/2009*	-	\$1,022,249	\$1,022,249	- %	\$922,234	110.8%
6/30/2012	-	\$1,023,818	\$1,023,818	- %	\$935,563	109.4%

*Effective July 1, 2009, the Clerk of Court implemented Government Accounting Standards Board Number 45; therefore, information prior to this date is not applicable.

OTHER SUPPLEMENTARY INFORMATION



St. John the Baptist Clerk of Court Fiduciary Fund Type Description

Agency Funds

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.

Criminal Juror Fund - accounts for funds from the Parish for criminal court proceedings pending court actions.

St. John the Baptist Parish Clerk of Court
Combining Statement of Changes in
Assets and Liabilities- Agency Funds

For the year ended June 30,

2014

	June 30, 2013	Additions	Deductions	June 30, 2014
Advanced Deposit Fund:				
Assets				
Cash and cash equivalents	\$ 295,104	\$ 1,173,464	\$ 953,098	\$ 515,470
Certificates of deposit	2,200,000	-	-	2,200,000
Total assets	\$ 2,495,104	\$ 1,173,464	\$ 953,098	\$ 2,715,470
Liabilities				
Due to litigants and others	\$ 2,495,104	\$ 1,173,464	\$ 953,098	\$ 2,715,470
Total liabilities	\$ 2,495,104	\$ 1,173,464	\$ 953,098	\$ 2,715,470
Registry of Court				
Assets				
Cash and cash equivalents	\$ 1,377	\$ 3,141	\$ -	\$ 4,518
Certificates of deposit	721,998	472,890	585,081	609,807
Total assets	\$ 723,375	\$ 476,031	\$ 585,081	\$ 614,325
Liabilities				
Due to litigants and others	\$ 723,375	\$ 476,031	\$ 585,081	\$ 614,325
Total liabilities	\$ 723,375	\$ 476,031	\$ 585,081	\$ 614,325
Criminal Juror				
Assets				
Cash and cash equivalents	\$ 7,298	\$ 38,285	\$ 34,863	\$ 10,720
Total assets	\$ 7,298	\$ 38,285	\$ 34,863	\$ 10,720
Liabilities				
Due to litigants and others	\$ 7,298	\$ 38,285	\$ 34,863	\$ 10,720
Total liabilities	\$ 7,298	\$ 38,285	\$ 34,863	\$ 10,720
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 303,779	\$ 1,214,890	\$ 987,961	\$ 530,708
Certificates of deposit	2,921,998	472,890	585,081	2,809,807
Total assets	\$ 3,225,777	\$ 1,687,780	\$ 1,573,042	\$ 3,340,515
Liabilities				
Due to litigants and others	\$ 3,225,777	\$ 1,687,780	\$ 1,573,042	\$ 3,340,515
Total liabilities	\$ 3,225,777	\$ 1,687,780	\$ 1,573,042	\$ 3,340,515

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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 Government Auditing Standards

Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, 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, each major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court (the "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 Clerk of Court's basic financial statements and have issued our report thereon dated December 8, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Clerk of Court's financial statements will not be

prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items **2014-001** and **2014-002** to be material weaknesses.

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. We did not identify any deficiencies, other than those already considered to be material weaknesses, which we consider to be solely significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items **2014-003** and **2014-004**.

The Clerk of Court's Response to Findings

The Clerk of Court's responses to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Clerk of Court's responses were 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 Clerk of Court'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 Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, LLC

December 8, 2014

St. John the Baptist Parish Clerk of Court Schedule of Findings and Responses

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the St. John the Baptist Parish Clerk of Court (the "Clerk of Court").
2. Material weaknesses in internal control over financial reporting are reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. (2014-001 and 2014-002)
3. Two (2) instances of noncompliance material to the financial statements of the Clerk of Court, which is required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit. (2014-003 and 2014-004)
4. A management letter was not issued for the year ended June 30, 2014.

B. FINDINGS

2014-001 Inadequate Segregation of Accounting Functions

<i>Criteria:</i>	The Clerk of Court should have systems of internal accounting control which provide for appropriate segregation of duties.
<i>Condition:</i>	The Clerk of Court does not have adequate segregation of functions within the accounting function.
<i>Cause:</i>	The Clerk of Court has a limited number of employees in the accounting department.
<i>Effect:</i>	This condition represents a material weakness in internal controls.
<i>Corrective Action Plan:</i>	Due to the size of the organization and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2014-002 Application of GAAP

<i>Criteria:</i>	The Clerk of Court should have systems of internal accounting control which ensure the basic financial statements are presented in accordance with U. S. generally accepted accounting principles.
<i>Condition:</i>	The Clerk of Court does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements. During our audit, we noted the accounting personnel of

St. John the Baptist Parish Clerk of Court Schedule of Findings and Responses

the Clerk of Court recorded transactions on a cash basis; therefore, adjustments to the financial statements were recorded as part of our audit procedures.

Cause: The Clerk of Court does not have adequate policies and procedures to prepare accurate and complete financial statements in accordance with U. S. generally accepted accounting principles. The Clerk of Court's procedures for recording revenue and expense accruals do not include recording accruals of subsequent receipts and disbursements.

Effect: The Clerk of Court recorded material adjustments identified in the audit process to ensure the financial statements were presented in accordance with U. S. generally accepted accounting principles.

Corrective Action

Plan: The additional costs required to achieve the desired benefit may not be economically feasible.

2014-003 Failure to Remit Outstanding Checks

Criteria: The Clerk of Court should remit all checks outstanding for greater than one year to the State Treasurer's Unclaimed Property Division in accordance with Louisiana Revised Statutes 9:151-181 - Uniform Unclaimed Property Act.

Condition: The Clerk of Court had 796 checks approximating \$140,923 that were outstanding greater than one year at June 30, 2014.

Cause: The Clerk of Court does not have adequate policies and procedures to identify and remit stale outstanding checks to the State.

Effect: The Clerk of Court is not in compliance with State law.

Corrective Action

Plan: The Clerk of Court will monitor stale outstanding checks monthly and remit checks to the state as required.

St. John the Baptist Parish Clerk of Court Schedule of Findings and Responses

2014-004 Non-Return of Cash Deposits

- Criteria:* Louisiana Revised Statute 13:842, paragraph (B) states “After an ordinary suit has been filed, if a period of five years elapses without any pleadings being filed and the suit has been completely inactive during this five-year period, the clerk shall refund any unused balance remaining in the clerk's advance deposit fund (to the credit of this particular suit) to the person who made the original deposit, after paying all fees or other charges of record in the suit.”
- Condition:* Governmental agencies must follow Louisiana Revised Statutes.
- Cause:* The Clerk of Court’s Office was not returning any unused balances remaining on the docket after five (5) years of inactivity without new pleadings filed.
- Effect:* The Clerk of Court is not in compliance with Louisiana Revised Statutes 13:842.
- Corrective Action Plan:* The Clerk of Court is currently in the process of reviewing inactive cases for outstanding balances with the intent of refunding outstanding amounts in accordance with the State law. Additionally, the Clerk of Court will implement a process to refund outstanding balances on cases as they approach five (5) years of inactivity.



**St. John the Baptist Parish Clerk of Court
Summary Schedule of Prior Year Audit Findings**

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Finding 2013-1	Unresolved. See finding 2014-001
Finding 2013-2	Unresolved. See finding 2014-002
Finding 2013-3	Unresolved. See finding 2014-003