

VERMILION PARISH CLERK OF COURT

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2014

TABLE OF CONTENTS

	Page
Independent Auditor's 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 balances - governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental fund to the statement of activities	12
Statement of agency assets and liabilities - fiduciary funds	13
 Notes to basic financial statements	 14-26
 REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of funding progress for the employees health insurance program after retirement	28
Budgetary comparison schedule: General Fund	29
 OTHER FINANCIAL INFORMATION	
Major Governmental Fund -	
General Fund - budgetary comparison schedule - revenues	31
General Fund - budgetary comparison schedule - expenditures	32-33
Fiduciary Funds -	
Combining statement of assets and liabilities	34
Combining statement of changes in assets and liabilities	35
 COMPLIANCE AND INTERNAL CONTROL	
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>	37-38
Schedule of findings and questioned costs	39-40
Summary schedule of prior year audit findings	41
Summary schedule of management's corrective action plan	42

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA/PFS
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Joan B. Moody, CPA
Lauren V. Hebert, CPA/PFS
Erich G. Loewer, III, CPA, M.S. Tax
Stephen R. Dischler, MBA, CPA
Pamela Mayeux Bonin, CPA, CVA
Craig C. Babineaux, CPA/PFS, CFP®
Jeremy C. Meaux, CPA
Chad M. Bailey, CPA
Adam J. Curry, CPA, CFP®
Kyle P. Saltzman, CPA
Blaine M. Crochet, CPA, M.S.



**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

INDEPENDENT AUDITOR'S REPORT

The Honorable Diane Meaux Broussard
Vermilion Parish Clerk of Court
Abbeville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the fiduciary fund of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, 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 entity's preparation

Kathleen T. Darnall, CPA
Kevin S. Young, CPA
Christy S. Dew, CPA, MPA
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick, CPA, MBA
Brandon L. Porter, CPA
Barry J. Dufrene, CPA
Tanya S. Nowlin, CPA, Ph.D.
Nicole B. Bruchez, CPA, MBA
Brandon R. Dunphy, CPA
Seth C. Norris, CPA
Ryan Earles, CPA
Jenifer Z. Marcial, CPA
Robert C. Darnall, CPA, M.S.
Elizabeth H. Olinde, CPA
Kai Seah, CPA
Katie Debaillon, CPA
Casey E. Cantu, CPA
Nicolaus D. Simon, CPA
Emile M. Joseph III, CPA

2000 Kaliste Saloom
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Avenue
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

A Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

www.dsfcpas.com

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, major fund and the fiduciary fund of the Vermilion Parish Clerk of Court as of June 30, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2014, on our consideration of the Vermilion Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of funding progress for the employees' health insurance program after retirement and the budgetary comparison information on pages 28 and 29 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.

Management 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 Vermilion Parish Clerk of Court's basic financial statements. The budgetary comparison schedules of revenues and expenditures, and the combining statements of agency fund assets and liabilities, and changes therein are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, on our consideration of the Vermilion 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 Vermilion Parish Clerk of Court's internal control over financial reporting and compliance.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
December 29, 2014

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 270,917
Accounts receivable	56,448
Due from other governments	15,482
Capital assets, net of depreciation	<u>17,565</u>
Total assets	<u>360,412</u>
LIABILITIES	
Current liabilities:	
Accounts payable	33,967
Other accrued liabilities	10,703
Long term liabilities:	
Compensated absences	41,417
OPEB obligations	<u>684,895</u>
Total liabilities	<u>770,982</u>
NET POSITION	
Invested in capital assets, net of related debt	17,565
Unrestricted (deficit)	<u>(428,135)</u>
Total net position (deficit)	<u>\$ (410,570)</u>

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Activities
Year Ended June 30, 2014

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,254,643	\$1,995,205	\$ 70,261	\$ -	\$ (189,177)
Interest on long-term debt	<u>655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(655)</u>
Total primary government	<u>\$ 2,255,298</u>	<u>\$1,995,205</u>	<u>\$ 70,261</u>	<u>\$ -</u>	<u>(189,832)</u>
		General revenues:			
		Interest income			3,094
		Appropriation from Clerk's Supplement Fund			21,000
		Appropriation from Vermilion Parish Police Jury			<u>26,000</u>
		Total general revenues			<u>50,094</u>
		Change in net assets			(139,738)
		Net position (deficit) - beginning of year			<u>(270,832)</u>
		Net position (deficit) - end of year			<u>\$ (410,570)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Balance Sheet – Governmental Fund
June 30, 2014

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 270,917
Receivables	56,448
Due from other governments	<u>15,482</u>
Total assets	<u>\$ 342,847</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 33,967
Other accrued liabilities	<u>10,703</u>
Total liabilities	<u>44,670</u>
Fund balances:	
Unassigned	<u>298,177</u>
Total fund balances	<u>298,177</u>
Total liabilities and fund balances	<u>\$ 342,847</u>

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

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

Total fund balances for the governmental fund at June 30, 2014		\$ 298,177
Cost of capital assets at June 30, 2014	\$ 941,887	
Less: accumulated depreciation	<u>(924,322)</u>	17,565
Compensated absences liability		(41,417)
OPEB obligations		<u>(684,895)</u>
Total net position (deficit) of governmental activities at June 30, 2014		<u>\$ (410,570)</u>

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Fund
Year Ended June 30, 2014

	General Fund
Revenues:	
Licenses and permits	\$ 24,457
Fees, charges and commissions -	
Court costs, fees and charges	435,927
Fees for recording legal documents	1,489,450
Fees for certified copies	35,828
Intergovernmental	96,261
Miscellaneous	33,637
Total revenues	2,115,560
Expenditures:	
Current -	
General government -	
Salaries	1,044,810
Employee benefits	627,038
Insurance	17,345
Operation and maintenance	215,814
Vehicle	25,032
Professional services	39,223
Miscellaneous	67,986
Police jury expenditures	27,583
Capital outlay	4,642
Debt service -	
Principal	24,793
Interest	655
Total expenditures	2,094,921
Excess of revenues over expenditures	20,639
Fund balances, beginning of year	277,538
Fund balances, end of year	\$ 298,177

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

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

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 20,639
Add: Capital outlay costs which are reported as expenditures in the Statement of Revenues, Expenditures, and Change in Fund Balances	4,642
Principal payments on long-term debt reported as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances	24,793
Less: Increase in liability for compensated absences	(4,578)
Loss on disposal of assets	(711)
Depreciation expense is not recognized as an expenditure in the governmental fund	(29,952)
OPEB expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures of governmental funds	<u>(154,571)</u>
Total change in net position per Statement of Activities	<u>\$ (139,738)</u>

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Agency Assets and Liabilities – Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash	\$4,135,212
Due from other governments	<u>15,482</u>
	<u>\$4,150,694</u>
LIABILITIES	
Due to litigants and others	<u>\$4,150,694</u>

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

Financial Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Vermilion Parish Police Jury is the financial reporting entity for Vermilion Parish. The financial reporting entity consists of the primary government (Police Jury), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Vermilion Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

Appointing a voting majority of an organization's governing body, and

The ability of the Police Jury to impose its will on that organization and/or

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.

Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Policy Jury provides the Vermilion Parish Clerk of Court (Clerk) with office space, operational expenditures and certain capital purchases, the Clerk was determined to be a component unit of the Vermilion Parish Policy Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the Police Jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The accompanying basic financial statements of the Clerk 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.

Government-Wide Financial Statements (GWFS)

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

The statement of activities presents a comparison between direct expenses and program revenues for the Clerk'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 of services offered by the Clerk, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Clerk are classified into two categories: governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for Clerk operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Clerk is considered to be a major fund. The funds of the Clerk are described as follows:

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the Clerk and it accounts for the operations of the Clerk’s office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk’s policy.

Fiduciary Funds –

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

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 the 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.

Non-Support Fund – The Non-Support Fund, as provided by Louisiana Revised Statute 13:848, accounts for the collection and disbursement of fees in criminal cases that have been sent by the Department of Social Services.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded with 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 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:

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (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 are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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.

Assets, Liabilities, 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.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The clerk has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the clerk may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the clerk's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Prepaid items

The clerk's policy regarding prepaid expenditures is to record the portion of insurance premiums and maintenance agreements that is paid during the current fiscal year for future periods.

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office equipment	5-10
Computer and microfilm equipment	5-10

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

Employees of the Clerk of Court's office earn 5 to 20 days of leave each year depending on length of service. Such leave is to be used for vacation, sickness, or emergencies. Employees are allowed to carryover a maximum of 15 days of unused leave to the following year.

Net Position in the Government-wide Financial Statements

In the government-wide Statement of Net Position, the Net Position amounts are classified and displayed in three components:

- Invested in capital assets – This component 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 capital assets.
- Restricted net position – This component consists of net assets 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.
- Unrestricted net position – This component consists of all other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first to finance its activities.

Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Vermilion Parish Clerk of Court, which is the entity's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the Clerk removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Clerk did not have any committed resources as of year end.
- Assigned: This classification includes amounts that are constrained by the Vermilion Parish Clerk of Court's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Vermilion Parish Clerk of Court. The Clerk did not have any assigned resources as of year end.
- Unassigned: This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Vermilion Parish Clerk of Court will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Vermilion Parish Clerk of Court reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

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. Revenues and fees, charges and commissions for services are recorded when the Clerk is entitled to the funds.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function and in the funds financial statements, expenditures are classified by type.

Budgetary and Budgetary Accounting

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.

The following procedures apply to 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.

Bad Debts

All receivables are reported at their gross value and where appropriate are reduced by the estimated portion that is expected to be uncollectible.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Subsequent Events

Management has evaluated subsequent events through December 29, 2014, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Clerk may deposit funds with 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 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 cash equivalents (book balances) totaling \$4,406,129 as follows:

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
Cash and demand deposits	\$ 67,328	\$ 2	\$ 67,330
Money market and savings accounts	<u>203,589</u>	<u>4,135,210</u>	<u>4,338,799</u>
	<u>\$ 270,917</u>	<u>\$4,135,212</u>	<u>\$ 4,406,129</u>

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

The following is a summary of deposit balances (bank balances) at June 30, 2014, and the related federal insurance and pledged securities:

Bank balances	\$ 4,472,487
Federal insurance	1,442,564
Pledged securities (Category 3)	<u>4,500,480</u>
Excess of pledged securities and federal insurance	<u>\$ 1,470,557</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	June 30, 2013	Additions	Deletions	June 30, 2014
Governmental activities:				
Computer equipment	\$ 617,119	\$ 4,642	\$ -	\$ 621,761
Office equipment	227,726	-	(4,065)	223,661
Microfilm equipment	<u>96,465</u>	<u>-</u>	<u>-</u>	<u>96,465</u>
Total	<u>941,310</u>	<u>4,642</u>	<u>(4,065)</u>	<u>941,887</u>
Less: accumulated depreciation				
Computer equipment	585,445	24,068	-	609,513
Office equipment	220,952	1,733	(3,354)	219,331
Microfilm equipment	<u>91,327</u>	<u>4,151</u>	<u>-</u>	<u>95,478</u>
Total	<u>897,724</u>	<u>29,952</u>	<u>(3,354)</u>	<u>924,322</u>
Net capital assets	<u>\$ 43,586</u>	<u>\$ (25,310)</u>	<u>\$ (711)</u>	<u>\$ 17,565</u>

Depreciation expense of \$29,952 was charged to the general government function.

NOTE 4 DEFERRED COMPENSATION PLAN

Certain employees of Vermilion Parish Clerk of Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. 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.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN

Plan Description – The Vermilion Parish Clerk of Court contributes to the Clerk of Court Retirement and Relief Fund (Retirement System), a cost-sharing multiple employer defined benefit pension plan administered by the Clerk of Court Retirement and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:1501 – 1540 to provide retirement, disability and survivor benefits to members throughout the State of Louisiana. The Clerk of Court Retirement and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

Funding Policy – Vermilion Parish Clerk of Court contributes at an actuarially determined rate. The current contribution rate is 18.50% (employer portion) and 8.25% (employee portion) of annual covered payroll. The contribution requirements of plan members and the Vermilion Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The Vermilion Parish Clerk of Court’s contributions to the Retirement System for the years ended June 30, 2014, 2013, and 2012 were \$254,170, \$239,578, and \$250,434, respectively. For the years ended June 30, 2014, 2013, and 2012 the Vermilion Parish Clerk of Court has elected to fund both the employer and employee portions of retirement contributions.

NOTE 6 CHANGES IN BALANCES - AGENCY FUND

	Advanced Deposit Fund	Registry of Court Fund	Non- Support Fund
Balance, beginning of year	\$ 949,636	\$3,408,480	\$ 23,561
Additions	1,187,465	160,142	48,844
Reductions	<u>(991,307)</u>	<u>(579,204)</u>	<u>(56,923)</u>
Balance, end of year	<u>\$1,145,794</u>	<u>\$2,989,418</u>	<u>\$ 15,482</u>

NOTE 7 EXPENDITURES PAID BY THE VERMILION PARISH POLICE JURY

Certain operating expenditures of the Clerk’s office are paid by the Vermilion Parish Police Jury and are included in the accompanying financial statements. These expenditures are summarized as follows:

Book binding	\$11,625
Equipment maintenance	<u>15,958</u>
	<u>\$27,583</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 8 POST EMPLOYMENT BENEFITS

Plan Description - The Clerk’s defined benefit postemployment health care plan (“the Retiree Health Plan”) provides medical, dental 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 (“LCCA”).

Funding Policy – The contribution requirement of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. Retirees are required to pay 35% of the premium charged by the LCCA for retirees and 35% for their dependents. For the fiscal year ended June 30, 2014, the Clerk contributed \$42,407 to the plan and the retirees contributed \$23,596.

Annual OPEB Cost and Net OPEB Obligation – For the fiscal year ended June 30, 2014, the Clerk’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contributions 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:

Annual Required Contribution	\$206,276
Interest on Net OPEB Obligation	18,561
Adjustment to Annual Required Contribution	<u>(27,859)</u>
Annual OPEB Cost (Expense)	196,978
Contributions Made	<u>(42,407)</u>
Increase in Net OPEB Obligation	154,571
Net OPEB Obligation - beginning of year	<u>530,324</u>
Net OPEB Obligation - end of year	<u><u>\$684,895</u></u>

The Clerk’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 147,460	17.0%	\$ 371,006
6/30/2013	\$ 199,771	20.2%	\$ 530,324
6/30/2014	\$ 196,978	21.5%	\$ 684,895

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 8 POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress – As of June 30, 2013, the actuarial accrued liability for benefits was \$2,018,854, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$854,665, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 236.2%.

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 about whether the actuarial accrued 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.

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

NOTE 9 RISK MANAGEMENT

The Clerk 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.

REQUIRED SUPPLEMENTARY INFORMATION

VERMILION PARISH CLERK OF COURT
 Abbeville, Louisiana
 Post Employment Benefits

Schedule of Funding Progress
 Employees Health Insurance Program After Employment
 Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2009	\$ -	\$ 1,882,960	\$1,882,960	0%	\$ 917,493	205.2%
6/30/2012	\$ -	\$ 2,018,854	\$2,018,854	0%	\$ 854,665	236.2%

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2014

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 29,100	\$ 24,400	\$ 24,457	\$ 57
Fees, charges and commissions -				
Court costs, fees and charges	398,400	426,600	435,927	9,327
Fees for recording legal documents	1,553,000	1,469,200	1,489,450	20,250
Fees for certified copies	35,000	35,000	35,828	828
Intergovernmental	77,000	85,000	96,261	11,261
Miscellaneous	24,300	29,800	33,637	3,837
Total revenues	<u>2,116,800</u>	<u>2,070,000</u>	<u>2,115,560</u>	<u>45,560</u>
Expenditures:				
Current -				
General government -				
Salaries	1,005,350	1,022,200	1,044,810	(22,610)
Employee benefits	613,200	627,800	627,038	762
Insurance	15,325	16,000	17,345	(1,345)
Operation and maintenance	196,650	228,850	215,814	13,036
Vehicle	21,120	12,100	25,032	(12,932)
Professional services	32,000	37,000	39,223	(2,223)
Miscellaneous	52,450	63,150	67,986	(4,836)
Police jury expenditures	26,000	28,000	27,583	417
Capital outlay	2,000	6,000	4,642	1,358
Debt service -				
Principal	24,793	29,000	24,793	4,207
Interest	655	900	655	245
Total expenditures	<u>1,989,543</u>	<u>2,071,000</u>	<u>2,094,921</u>	<u>(23,921)</u>
Excess of revenues over expenditures	<u>127,257</u>	<u>(1,000)</u>	<u>20,639</u>	<u>21,639</u>
Fund balance, beginning of year	<u>277,538</u>	<u>277,538</u>	<u>277,538</u>	<u>-</u>
Fund balance, end of year	<u>\$ 404,795</u>	<u>\$ 276,538</u>	<u>\$ 298,177</u>	<u>\$ 21,639</u>

OTHER FINANCIAL INFORMATION

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Revenues
Year Ended June 30, 2014

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 6,000	\$ 6,000	\$ 6,134	\$ 134
Passports	<u>23,100</u>	<u>18,400</u>	<u>18,323</u>	<u>(77)</u>
Total licenses and permits	<u>29,100</u>	<u>24,400</u>	<u>24,457</u>	<u>57</u>
Fees, charges and commissions:				
Court costs, fees, and charges -				
Criminal costs	52,000	52,000	54,264	2,264
Court attendance reporting	9,300	5,000	8,620	3,620
Fax fees	10,000	10,000	10,393	393
Copy card fees	229,000	234,000	230,568	(3,432)
Jury summons fees	60,000	70,000	72,259	2,259
Notorial fees	600	600	305	(295)
Other	15,500	37,000	40,870	3,870
Stamp copies	<u>22,000</u>	<u>18,000</u>	<u>18,648</u>	<u>648</u>
Total court costs, fees and charges	<u>398,400</u>	<u>426,600</u>	<u>435,927</u>	<u>9,327</u>
Fees for recording legal documents:				
Recordings	700,000	750,000	772,600	22,600
Cancellations	1,500	1,700	1,668	(32)
Mortgage certificates	41,000	40,000	37,835	(2,165)
Suits and successions	<u>810,500</u>	<u>677,500</u>	<u>677,347</u>	<u>(153)</u>
Total fees for recording legal documents	<u>1,553,000</u>	<u>1,469,200</u>	<u>1,489,450</u>	<u>20,250</u>
Fees for certified copies	<u>35,000</u>	<u>35,000</u>	<u>35,828</u>	<u>828</u>
Intergovernmental:				
Appropriation from Police Jury	30,000	30,000	26,000	(4,000)
Federal grant - non-support	<u>47,000</u>	<u>55,000</u>	<u>70,261</u>	<u>15,261</u>
Total intergovernmental	<u>77,000</u>	<u>85,000</u>	<u>96,261</u>	<u>11,261</u>
Miscellaneous:				
Interest earned	1,800	1,800	3,094	1,294
Clerks supplement	21,000	21,000	21,000	-
Other	<u>1,500</u>	<u>7,000</u>	<u>9,543</u>	<u>2,543</u>
Total miscellaneous	<u>24,300</u>	<u>29,800</u>	<u>33,637</u>	<u>3,837</u>
Total revenues	<u>\$2,116,800</u>	<u>\$ 2,070,000</u>	<u>\$2,115,560</u>	<u>\$ 45,560</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Expenditures
Year Ended June 30, 2014

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Expenditures:				
Salaries -				
Clerk	\$ 140,350	\$ 150,200	\$ 150,622	\$ (422)
Deputies	850,000	857,000	878,916	(21,916)
Others	<u>15,000</u>	<u>15,000</u>	<u>15,272</u>	<u>(272)</u>
Total salaries	<u>1,005,350</u>	<u>1,022,200</u>	<u>1,044,810</u>	<u>(22,610)</u>
Employee benefits -				
Pension fund	262,000	255,000	254,170	830
Uniforms & related items	7,000	10,500	11,521	(1,021)
Payroll taxes	11,200	12,300	12,589	(289)
Deferred compensation	28,000	29,000	28,645	355
Hospitalization insurance	<u>305,000</u>	<u>321,000</u>	<u>320,113</u>	<u>887</u>
Total employee benefits	<u>613,200</u>	<u>627,800</u>	<u>627,038</u>	<u>762</u>
Insurance -				
Deputy liability	325	500	308	192
Errors and omissions	12,000	12,000	13,283	(1,283)
Fire and casualty	500	1,000	691	309
Workers' compensation	<u>2,500</u>	<u>2,500</u>	<u>3,063</u>	<u>(563)</u>
Total insurance	<u>15,325</u>	<u>16,000</u>	<u>17,345</u>	<u>(1,345)</u>
Operation and maintenance -				
Office:				
Supplies	55,000	67,700	62,259	5,441
Printing	4,650	12,150	10,018	2,132
Postage/box rental	29,000	29,000	26,199	2,801
Book binding	6,000	-	-	-
Telephone/fax	16,000	16,000	16,606	(606)
Equipment maintenance	13,000	13,000	8,948	4,052
Equipment rental	34,000	25,000	28,781	(3,781)
Software maintenance	28,000	55,000	55,435	(435)
Supplies - computer	10,000	10,000	6,354	3,646
Shipping	<u>1,000</u>	<u>1,000</u>	<u>1,214</u>	<u>(214)</u>
Total operation and maintenance	<u>196,650</u>	<u>228,850</u>	<u>215,814</u>	<u>13,036</u>

(continued)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)
Year Ended June 30, 2014

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Automobile -				
Auto allowance	\$ 21,120	\$ 12,100	\$ 25,032	\$ (12,932)
Total automobile	<u>21,120</u>	<u>12,100</u>	<u>25,032</u>	<u>(12,932)</u>
Professional services -				
Accounting	32,000	36,000	37,538	(1,538)
Scanning/Program	-	1,000	1,685	(685)
Total professional services	<u>32,000</u>	<u>37,000</u>	<u>39,223</u>	<u>(2,223)</u>
Miscellaneous -				
Bad debts	-	-	4,223	(4,223)
Dues and subscriptions	3,150	3,150	2,940	210
Clerk's supplemental compensation	25,000	25,000	24,832	168
Election costs	3,000	3,000	3,040	(40)
Travel and conventions	21,000	31,000	31,324	(324)
Other	300	1,000	1,627	(627)
Total miscellaneous	<u>52,450</u>	<u>63,150</u>	<u>67,986</u>	<u>(4,836)</u>
Police jury expenditures -				
Book binding	10,000	12,000	11,625	375
Equipment maintenance	16,000	16,000	15,958	42
Total police jury expenditures	<u>26,000</u>	<u>28,000</u>	<u>27,583</u>	<u>417</u>
Capital outlay -				
Computer equipment	-	6,000	4,642	1,358
Office equipment	2,000	-	-	-
Total capital outlay	<u>2,000</u>	<u>6,000</u>	<u>4,642</u>	<u>1,358</u>
Debt service -				
Principal - capital lease	24,793	29,000	24,793	4,207
Interest - capital lease	655	900	655	245
Total debt service	<u>25,448</u>	<u>29,900</u>	<u>25,448</u>	<u>4,452</u>
Total expenditures	<u>\$1,989,543</u>	<u>\$2,071,000</u>	<u>\$2,094,921</u>	<u>\$ (23,921)</u>

VERMILION PARISH CLERK OF COURT
 Abbeville, Louisiana
 Agency Funds

Combining Statement of Assets and Liabilities
 June 30, 2014

	Advance Deposit	Registry of Court	Non- Support	Total
ASSETS				
Cash	\$ 1,145,794	\$ 2,989,418	\$ -	\$ 4,135,212
Due from other governments	<u>-</u>	<u>-</u>	<u>15,482</u>	<u>15,482</u>
Total	<u>\$ 1,145,794</u>	<u>\$ 2,989,418</u>	<u>\$ 15,482</u>	<u>\$ 4,150,694</u>
LIABILITIES				
Due to litigants and others	<u>\$ 1,145,794</u>	<u>\$ 2,989,418</u>	<u>\$ 15,482</u>	<u>\$ 4,150,694</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2014

	Advance Deposit	Registry of Court	Non- Support	Total
ASSETS				
Balances, beginning of year	<u>\$ 949,636</u>	<u>\$3,408,480</u>	<u>\$ 23,561</u>	<u>\$4,381,677</u>
Additions:				
Deposits in civil suits	1,105,602	-	-	1,105,602
Witness deposits	913	-	-	913
Security bond deposits	80,950	-	-	80,950
Deposits by order of the court	-	149,415	-	149,415
Interest earnings	-	10,727	-	10,727
Deposits in non-support suits	-	-	48,844	48,844
Total additions	<u>1,187,465</u>	<u>160,142</u>	<u>48,844</u>	<u>1,396,451</u>
Total	<u>2,137,101</u>	<u>3,568,622</u>	<u>72,405</u>	<u>5,778,128</u>
Reductions:				
Payments by order of the court	-	579,204	-	579,204
Refund of deposits	142,626	-	-	142,626
Clerk's fees transferred to general fund	675,425	-	54,779	730,204
Sheriff's fees - local	45,456	-	1,638	47,094
Sheriff's fees - other parishes	51,555	-	506	52,061
Commissioner of insurance - report fee	485	-	-	485
Attorney fees	6,240	-	-	6,240
Battered women's fees	1,790	-	-	1,790
Secretary of state fees	7,510	-	-	7,510
Court of appeal fees	1,330	-	-	1,330
Judges support compensation fees	28,545	-	-	28,545
Judicial costs	18,305	-	-	18,305
Payments to police jury	12,040	-	-	12,040
Total reductions	<u>991,307</u>	<u>579,204</u>	<u>56,923</u>	<u>1,627,434</u>
Balances, end of year	<u>\$1,145,794</u>	<u>\$2,989,418</u>	<u>\$ 15,482</u>	<u>\$4,150,694</u>
LIABILITIES				
Due to litigants and others, beginning of year	\$ 949,636	\$3,408,480	\$ 23,561	\$4,381,677
Additions	1,187,465	160,142	48,844	1,396,451
Reductions	<u>991,307</u>	<u>579,204</u>	<u>56,923</u>	<u>1,627,434</u>
Due to litigants and others, end of year	<u>\$1,145,794</u>	<u>\$2,989,418</u>	<u>\$ 15,482</u>	<u>\$4,150,694</u>

**COMPLIANCE
AND
INTERNAL CONTROL**



**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA/PFS
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Joan B. Moody, CPA
Lauren V. Hebert, CPA/PFS
Erich G. Loewer, III, CPA, M.S. Tax
Stephen R. Dischler, MBA, CPA
Pamela Mayeux Bonin, CPA, CVA
Craig C. Babineaux, CPA/PFS, CFP®
Jeremy C. Meaux, CPA
Chad M. Bailey, CPA
Adam J. Curry, CPA, CFP®
Kyle P. Saltzman, CPA
Blaine M. Crochet, CPA, M.S.

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

Kathleen T. Darnall, CPA
Kevin S. Young, CPA
Christy S. Dew, CPA, MPA
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick, CPA, MBA
Brandon L. Porter, CPA
Barry J. Dufrene, CPA
Tanya S. Nowlin, CPA, Ph.D.
Nicole B. Bruchez, CPA, MBA
Brandon R. Dunphy, CPA
Seth C. Norris, CPA
Ryan Earles, CPA
Jenifer Z. Marcial, CPA
Robert C. Darnall, CPA, M.S.
Elizabeth H. Olinde, CPA
Kai Seah, CPA
Katie Debaillon, CPA
Casey E. Cantu, CPA
Nicolaus D. Simon, CPA
Emile M. Joseph III, CPA

The Honorable Diane Meaux Broussard
Vermilion Parish Clerk of Court
Abbeville, 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, and major fund of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the Vermilion Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Vermilion 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 Vermilion Parish Clerk of Court's internal control.

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. 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.

2000 Kaliste Saloom
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Avenue
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

A Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

www.dsfcpcas.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-01 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Vermilion Parish Clerk of Court's Response to Findings

The Vermilion Parish Clerk of Court's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Vermilion 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

This 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dunnall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
December 29, 2014

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on Vermilion Parish Clerk of Court financial statements as of and for the year ended June 30, 2014.

Internal Control Deficiencies – Financial Reporting

A significant deficiency in internal control over financial reporting was disclosed during the audit of the financial statements and is reported as 2014-01 in Part II.

Material Noncompliance – Financial Reporting

No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2014.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

2014-01 Inadequate Segregation of Accounting Functions

Condition - Our evaluation of internal control revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

Effect - Intentional or unintentional errors could be made and not detected within the accounting system.

Cause – Due to the lack of funds, the Clerk's office does not have a sufficient number of employees to adequately separate accounting duties or to prepare the Clerk's annual financial statements with the related note disclosures.

Recommendation – Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards* (continued)

Views of Responsible Officials and Planned Corrective Actions – This information is in the separate Summary Schedule of Management’s Corrective Action Plan on page 42.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2014, the Vermilion Parish Clerk of Court did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2014

2013-01 Inadequate Segregation of Accounting Functions

Finding: Due to the small number of accounting personnel, the Vermilion Parish Clerk of Court did not have adequate segregation of accounting functions within the accounting system.

Status: This finding is unresolved. See finding 2014-01.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Summary Schedule of Management's Corrective Action Plan
Year Ended June 30, 2014

The following is management's corrective action plan in response to each of the current year findings:

2014-01 Inadequate Segregation of Accounting Functions

The Vermilion Parish Clerk of Court will segregate accounting functions to the extent possible.