

**VERMILION PARISH CLERK OF COURT**  
Abbeville, Louisiana

Financial Report

Year Ended June 30, 2013

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(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, 2013, 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 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.

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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, 2013, 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 November 29, 2013, 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 29 and 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.

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 November 29, 2013, 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

November 29, 2013

## **BASIC FINANCIAL STATEMENTS**

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Statement of Net Position  
June 30, 2013

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 284,811
Accounts receivable	54,999
Prepaid expenditures	959
Capital assets, net of depreciation	<u>43,586</u>
Total assets	<u>384,355</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	43,485
Other accrued liabilities	19,746
Long term liabilities	
Compensated absences	36,839
OPEB obligations	530,324
Capital lease payable - Due within one year	<u>24,793</u>
Total liabilities	<u>655,187</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	18,793
Unrestricted (deficit)	<u>(289,625)</u>
Total net position (deficit)	<u>\$ (270,832)</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, 2013

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	\$ 2,236,389	\$ 2,043,725	\$ 45,891	\$ -	\$ (146,773)
Interest on long-term debt	<u>4,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,523)</u>
Total primary government	<u>\$ 2,240,912</u>	<u>\$ 2,043,725</u>	<u>\$ 45,891</u>	<u>\$ -</u>	<u>(151,296)</u>
		General revenues:			
					2,712
					21,000
					<u>26,000</u>
					<u>49,712</u>
					(101,584)
					<u>(169,248)</u>
					<u>\$ (270,832)</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, 2013

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 284,811
Receivables	54,999
Prepaid expenditures	<u>959</u>
Total assets	<u>\$ 340,769</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 43,485
Other accrued liabilities	<u>19,746</u>
Total liabilities	<u>63,231</u>
Fund balances:	
Nonspendable	
Prepaid expenditures	959
Unassigned	<u>276,579</u>
Total fund balances	<u>277,538</u>
Total liabilities and fund balances	<u>\$ 340,769</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, 2013

Total fund balances for the governmental fund at June 30, 2013		\$ 277,538
Cost of capital assets at June 30, 2013	\$ 941,310	
Less: accumulated depreciation	<u>(897,724)</u>	43,586
Compensated absences liability		(36,839)
OPEB obligations		(530,324)
Capital lease payable:		
Due within one year		<u>(24,793)</u>
Total net position (deficit) of governmental activities at June 30, 2013		<u>\$ (270,832)</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, 2013

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 27,364
Fees, charges and commissions -	
Court costs, fees and charges	381,741
Fees for recording legal documents	1,584,848
Fees for certified copies	34,506
Intergovernmental	71,891
Miscellaneous	<u>38,978</u>
Total revenues	<u>2,139,328</u>
Expenditures:	
Current -	
General government -	
Salaries	1,017,094
Employee benefits	603,734
Insurance	16,313
Operation and maintenance	261,835
Vehicle	21,518
Professional services	19,313
Miscellaneous	62,506
Police jury expenditures	23,789
Capital outlay	6,661
Debt service -	
Principal	46,372
Interest	<u>4,523</u>
Total expenditures	<u>2,083,658</u>
Excess of revenues over expenditures	<u>55,670</u>
Fund balances, beginning of year	<u>221,868</u>
Fund balances, end of year	<u>\$ 277,538</u>

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, 2013

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 55,670
Add: Capital outlay costs which are reported as expenditures in the Statement of Revenues, Expenditures, and Change in Fund Balances	6,661
Add: Pincipal payments on long-term debt reported as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances	46,372
Less: Increase in liability for compensated absences	(1,657)
Depreciation expense is not recognized as an expenditure in the governmental fund	(44,459)
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>(164,171)</u>
Total change in net position per Statement of Activities	<u>\$ (101,584)</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, 2013

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$4,381,677</u>
LIABILITIES	
Due to litigants and others	<u>\$4,381,677</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

Uncollectible amounts due for receivables are recognized as bad debts utilizing the direct write-off method. Although this method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2013.

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 November 29, 2013, 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, 2013, the Clerk of Court has cash and cash equivalents (book balances) totaling \$4,666,488 as follows:

	Governmental Fund Type	Fiduciary Fund Type	Total
Cash and demand deposits	\$ 27,383	\$ 11,361	\$ 38,744
Money market and savings accounts	257,428	4,370,316	4,627,744
	\$ 284,811	\$ 4,381,677	\$ 4,666,488



VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2013, and the related federal insurance and pledged securities:

Bank balances	\$ 4,562,438
Federal insurance	1,628,210
Pledged securities (Category 3)	<u>5,139,293</u>
 Excess of pledged securities and federal insurance	 <u>\$ 2,205,065</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, 2013 was as follows:

	June 30, 2012	Additions	Deletions	June 30, 2013
Governmental activities:				
Computer equipment	\$ 610,458	\$ 6,661	\$ -	\$ 617,119
Office equipment	227,726	-	-	227,726
Microfilm equipment	96,465	-	-	96,465
Total	<u>934,649</u>	<u>6,661</u>	<u>-</u>	<u>941,310</u>
Less: accumulated depreciation				
Computer equipment	550,052	35,393	-	585,445
Office equipment	219,121	1,831	-	220,952
Microfilm equipment	84,092	7,235	-	91,327
Total	<u>853,265</u>	<u>44,459</u>	<u>-</u>	<u>897,724</u>
Net capital assets	<u>\$ 81,384</u>	<u>\$ (37,798)</u>	<u>\$ -</u>	<u>\$ 43,586</u>

VERMILIN PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 3 CAPITAL ASSETS (Continued)

Depreciation expense of \$44,459 was charged to the general government function.

Included in the above balances at June 30, 2013 is computer equipment with an original acquisition cost of \$170,435 acquired through capital leases.

NOTE 4 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 17.25% (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, 2013, 2012, and 2011 were \$239,578, \$250,434, and \$258,473, respectively. For the years ended June 30, 2013, 2012, and 2011 the Vermilion Parish Clerk of Court has elected to fund both the employer and employee portions of retirement contributions.

NOTE 5 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 6 CHANGES IN BALANCES - AGENCY FUND

	Advanced Deposit Fund	Registry of Court Fund	Non- Support Fund
Balance, beginning of year	\$ 826,452	\$ 1,303,532	\$ 34,450
Additions	1,254,802	2,273,273	42,665
Reductions	<u>(1,131,618)</u>	<u>(168,325)</u>	<u>(53,554)</u>
Balance, end of year	<u>\$ 949,636</u>	<u>\$ 3,408,480</u>	<u>\$ 23,561</u>

NOTE 7 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.

*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 fiscal year 2013, the Clerk contributed \$40,453 to the plan and the retirees contributed \$17,972.

*Annual OPEB Cost and Net OPEB Obligation* – For 2013, 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:

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 7 POST EMPLOYMENT BENEFITS (Continued)

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
6/30/2010	\$ 146,395	16.6%	\$ 122,052
6/30/2011	\$ 146,395	16.6%	\$ 244,102
6/30/2012	\$ 146,395	16.6%	\$ 366,153
6/30/2013	\$ 204,624	20.2%	\$ 530,324

*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.

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 8 CAPITAL LEASE PAYABLE

The Clerk records items under capital leases as an asset and an obligation in the accompanying financial statements. Assets under capital leases totaled \$170,435 at June 30, 2013, as detailed in Note 3. At June 30, 2013 the Clerk of Court had one obligation under capital lease payable through December 2013, with an implied interest rate of 9.00% per annum and a monthly payment of \$4,241. Interest expense totaled \$4,523 for the year ended June 30, 2013. Following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2013.

<u>Year Ending June 30,</u>	
2014	25,448
Less: Amount representing interest	<u>655</u>
Present value of net minimum lease payments	<u>\$ 24,793</u>

NOTE 9 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	\$ 12,463
Equipment maintenance	<u>11,326</u>
	<u>\$ 23,789</u>

NOTE 10 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 for the Employees  
 Health Insurance Program After Employment  
 Year Ended June 30, 2013

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	-	\$ 917,493	205.2%
6/30/2012	-	\$ 2,018,854	\$ 2,018,854	-	\$ 854,665	236.2%

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2013

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 28,700	\$ 28,160	\$ 27,364	\$ (796)
Fees, charges and commissions -				
Court costs, fees and charges	396,900	398,700	381,741	(16,959)
Fees for recording legal documents	1,565,200	1,609,500	1,584,848	(24,652)
Fees for certified copies	34,000	33,500	34,506	1,006
Intergovernmental	73,000	66,000	71,891	5,891
Miscellaneous	<u>24,300</u>	<u>25,300</u>	<u>38,978</u>	<u>13,678</u>
Total revenues	<u>2,122,100</u>	<u>2,161,160</u>	<u>2,139,328</u>	<u>(21,832)</u>
<b>Expenditures:</b>				
Current -				
General government -				
Salaries	1,022,750	1,046,100	1,017,094	29,006
Employee benefits	602,600	593,500	603,734	(10,234)
Insurance	15,225	15,225	16,313	(1,088)
Operation and maintenance	198,150	272,400	261,835	10,565
Vehicle	21,120	21,800	21,518	282
Professional services	17,000	21,000	19,313	1,687
Miscellaneous	45,450	59,350	62,506	(3,156)
Police jury expenditures	26,000	26,000	23,789	2,211
Capital outlay	5,000	-	6,661	(6,661)
Debt service -				
Principal	46,373	46,373	46,372	1
Interest	<u>4,523</u>	<u>4,523</u>	<u>4,523</u>	<u>-</u>
Total expenditures	<u>2,004,191</u>	<u>2,106,271</u>	<u>2,083,658</u>	<u>22,613</u>
Excess of revenues over expenditures	<u>117,909</u>	<u>54,889</u>	<u>55,670</u>	<u>781</u>
Fund balance, beginning of year	<u>221,868</u>	<u>221,868</u>	<u>221,868</u>	<u>-</u>
Fund balance, end of year	<u>\$ 339,777</u>	<u>\$ 276,757</u>	<u>\$ 277,538</u>	<u>\$ 781</u>



**OTHER FINANCIAL INFORMATION**

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
General Fund

Budgetary Comparison Schedule – Revenues  
Year Ended June 30, 2013

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 6,500	\$ 6,010	\$ 5,685	\$ (325)
Passports	<u>22,200</u>	<u>22,150</u>	<u>21,679</u>	<u>(471)</u>
Total licenses and permits	<u>28,700</u>	<u>28,160</u>	<u>27,364</u>	<u>(796)</u>
Fees, charges and commissions:				
Court costs, fees, and charges -				
Criminal costs	52,000	60,500	60,152	(348)
Court attendance reporting	9,300	8,000	8,180	180
Fax fees	12,000	10,000	10,090	90
Copy card fees	228,000	200,000	198,132	(1,868)
Jury summons fees	61,000	67,000	64,338	(2,662)
Notarial fees	600	300	300	-
Other	12,000	32,900	20,219	(12,681)
Stamp copies	<u>22,000</u>	<u>20,000</u>	<u>20,330</u>	<u>330</u>
Total court costs, fees and charges	<u>396,900</u>	<u>398,700</u>	<u>381,741</u>	<u>(16,959)</u>
Fees for recording legal documents:				
Recordings	720,000	750,000	742,198	(7,802)
Cancellations	1,600	1,500	1,025	(475)
Mortgage certificates	43,600	48,000	38,480	(9,520)
Suits and successions	<u>800,000</u>	<u>810,000</u>	<u>803,145</u>	<u>(6,855)</u>
Total fees for recording legal documents	<u>1,565,200</u>	<u>1,609,500</u>	<u>1,584,848</u>	<u>(24,652)</u>
Fees for certified copies	<u>34,000</u>	<u>33,500</u>	<u>34,506</u>	<u>1,006</u>
Intergovernmental:				
Appropriation from Police Jury	26,000	26,000	26,000	-
Federal grant - non-support	<u>47,000</u>	<u>40,000</u>	<u>45,891</u>	<u>5,891</u>
Total intergovernmental	<u>73,000</u>	<u>66,000</u>	<u>71,891</u>	<u>5,891</u>
Miscellaneous:				
Interest earned	1,800	2,200	2,712	512
Clerks supplement	20,700	21,000	21,000	-
Other	<u>1,800</u>	<u>2,100</u>	<u>15,266</u>	<u>13,166</u>
Total miscellaneous	<u>24,300</u>	<u>25,300</u>	<u>38,978</u>	<u>13,678</u>
Total revenues	<u>\$ 2,122,100</u>	<u>\$ 2,161,160</u>	<u>\$ 2,139,328</u>	<u>\$ (21,832)</u>

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
General Fund

Budgetary Comparison Schedule – Expenditures  
Year Ended June 30, 2013

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Expenditures:				
Salaries -				
Clerk	\$ 140,350	\$ 140,600	\$ 140,846	\$ (246)
Deputies	867,400	860,000	860,976	(976)
Others	<u>15,000</u>	<u>45,500</u>	<u>15,272</u>	<u>30,228</u>
Total salaries	<u>1,022,750</u>	<u>1,046,100</u>	<u>1,017,094</u>	<u>29,006</u>
Employee benefits -				
Pension fund	256,400	260,000	239,578	20,422
Uniforms & related items	6,500	5,500	5,976	(476)
Payroll taxes	10,700	10,000	10,326	(326)
Deferred compensation	28,000	28,000	26,804	1,196
Hospitalization insurance	<u>301,000</u>	<u>290,000</u>	<u>321,050</u>	<u>(31,050)</u>
Total employee benefits	<u>602,600</u>	<u>593,500</u>	<u>603,734</u>	<u>(10,234)</u>
Insurance -				
Deputy liability	325	325	545	(220)
Errors and omissions	12,000	12,000	12,300	(300)
Fire and casualty	500	500	543	(43)
Workers' compensation	<u>2,400</u>	<u>2,400</u>	<u>2,925</u>	<u>(525)</u>
Total insurance	<u>15,225</u>	<u>15,225</u>	<u>16,313</u>	<u>(1,088)</u>
Operation and maintenance -				
Office:				
Supplies	60,000	70,000	67,387	2,613
Printing	4,150	6,100	4,773	1,327
Postage/box rental	28,000	27,000	27,808	(808)
Book binding	4,000	-	-	-
Rental - microfilm storage	-	1,000	1,668	(668)
Telephone/fax	16,000	16,000	13,966	2,034
Equipment maintenance	12,500	13,500	14,176	(676)
Equipment rental	33,000	28,000	24,881	3,119
Software maintenance	30,000	90,000	92,831	(2,831)
Supplies - computer	9,500	20,000	13,622	6,378
Shipping	<u>1,000</u>	<u>800</u>	<u>723</u>	<u>77</u>
Total operation and maintenance	<u>198,150</u>	<u>272,400</u>	<u>261,835</u>	<u>10,565</u>

(continued)

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)  
Year Ended June 30, 2013

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Automobile -				
Operation and maintenance	21,120	21,000	20,633	367
Insurance	<u>-</u>	<u>800</u>	<u>885</u>	<u>(85)</u>
Total automobile	<u>21,120</u>	<u>21,800</u>	<u>21,518</u>	<u>282</u>
Professional services -				
Accounting	17,000	21,000	19,100	1,900
Scanning/Program	<u>-</u>	<u>-</u>	<u>213</u>	<u>(213)</u>
Total professional services	<u>17,000</u>	<u>21,000</u>	<u>19,313</u>	<u>1,687</u>
Miscellaneous -				
Dues and subscriptions	3,150	2,950	7,251	(4,301)
Clerk's supplemental compensation	24,000	24,000	25,077	(1,077)
Election costs	-	8,000	7,984	16
Travel and conventions	18,000	24,000	20,993	3,007
Other	<u>300</u>	<u>400</u>	<u>1,201</u>	<u>(801)</u>
Total miscellaneous	<u>45,450</u>	<u>59,350</u>	<u>62,506</u>	<u>(3,156)</u>
Police jury expenditures -				
Book binding	10,000	10,000	12,463	(2,463)
Equipment maintenance	<u>16,000</u>	<u>16,000</u>	<u>11,326</u>	<u>4,674</u>
Total police jury expenditures	<u>26,000</u>	<u>26,000</u>	<u>23,789</u>	<u>2,211</u>
Capital outlay -				
Computer equipment	-	-	6,661	(6,661)
Office equipment	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>5,000</u>	<u>-</u>	<u>6,661</u>	<u>(6,661)</u>
Debt service -				
Principal - capital lease	46,373	46,373	46,372	1
Interest - capital lease	<u>4,523</u>	<u>4,523</u>	<u>4,523</u>	<u>-</u>
Total debt service	<u>50,896</u>	<u>50,896</u>	<u>50,895</u>	<u>1</u>
Total expenditures	<u>\$2,004,191</u>	<u>\$2,106,271</u>	<u>\$2,083,658</u>	<u>\$ 22,613</u>

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
Agency Funds

Combining Statement of Assets and Liabilities  
June 30, 2013

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Non- Support</u>	<u>Total</u>
ASSETS				
Cash	<u>\$949,636</u>	<u>\$3,408,480</u>	<u>\$23,561</u>	<u>\$4,381,677</u>
LIABILITIES				
Due to litigants and others	<u>\$949,636</u>	<u>\$3,408,480</u>	<u>\$23,561</u>	<u>\$4,381,677</u>

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2013

	Advance Deposit	Registry of Court	Non- Support	Total
<b>ASSETS</b>				
Balances, beginning of year	\$ 826,452	\$ 1,303,532	\$ 34,450	\$ 2,164,434
Additions:				
Deposits in civil suits	1,177,776	-	-	1,177,776
Witness deposits	526	-	-	526
Security bond deposits	76,500	-	-	76,500
Deposits by order of the court	-	2,266,236	-	2,266,236
Interest earnings	-	7,037	-	7,037
Deposits in non-support suits	-	-	42,665	42,665
Total additions	1,254,802	2,273,273	42,665	3,570,740
Total	2,081,254	3,576,805	77,115	5,735,174
Reductions:				
Payments by order of the court	805,006	168,123	-	973,129
Refund of deposits	159,000	-	-	159,000
Clerk's fees transferred to general fund	-	202	45,891	46,093
Sheriff's fees - local	43,636	-	6,147	49,783
Sheriff's fees - other parishes	50,059	-	1,516	51,575
Commissioner of insurance - report fee	290	-	-	290
Attorney fees	2,328	-	-	2,328
Battered women's fees	2,060	-	-	2,060
Secretary of state fees	3,405	-	-	3,405
Court of appeal fees	791	-	-	791
Judges support compensation fees	26,643	-	-	26,643
Judicial costs	17,630	-	-	17,630
Payments to police jury	20,770	-	-	20,770
Total reductions	1,131,618	168,325	53,554	1,353,497
Balances, end of year	\$ 949,636	\$ 3,408,480	\$ 23,561	\$ 4,381,677
<b>LIABILITIES</b>				
Due to litigants and others, beginning of year	\$ 826,452	\$ 1,303,532	\$ 34,450	\$ 2,164,434
Additions	1,254,802	2,273,273	42,665	3,570,740
Reductions	1,131,618	168,325	53,554	1,353,497
Due to litigants and others, end of year	\$ 949,636	\$ 3,408,480	\$ 23,561	\$ 4,381,677

**COMPLIANCE  
AND  
INTERNAL CONTROL**



**Darnall, Sikes,  
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

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**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**

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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, 2013, 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 November 29, 2013.

**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.

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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 2013-01 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.

*Dannall, Sikes, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Abbeville, Louisiana  
November 29, 2013

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013

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, 2013.

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 2013-01 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, 2013.

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

2013-01 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, 2013

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 43.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2013, 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, 2013

2012-01 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 2013-01.

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Summary Schedule of Management's Corrective Action Plan  
Year Ended June 30, 2013

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

2013-01 Inadequate Segregation of Accounting Functions

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