

PLAQUEMINES PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of net position	6
Statement of activities	7
Fund Financial Statements	
Governmental Fund:	
Balance sheet	9-10
Statement of revenues, expenditures and changes in fund balance	11-12
Statement of fiduciary net position	13
Notes to financial statements	14-26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	28
Notes to budgetary comparison schedule	29
Schedule of funding progress	30
INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION	
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>	32-33
Schedule of audit results and findings	34-36
Summary schedule of prior audit findings	37
Corrective action plan for current year findings	38

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

OFFICES

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

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

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

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

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

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

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddill St.
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

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

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Dorothy M. Lundin
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of Plaquemines Parish Government, 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 Clerk of Court's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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.

Basis for Qualified Opinions

The Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2013. The unreconciled deposits represent 4.7 percent of the fiduciary fund type's assets and liabilities at June 30, 2013. Because the Clerk of Court has not reconciled these deposits, it was not practical for us to determine the amount of fees, if any, due to the Advance Deposit Agency Fund from litigants or the amount due to the General Fund from the Advance Deposit Agency Fund for fees earned resulting from suit activity at June 30, 2013. The effects of not reconciling these deposits on the financial statements cannot be reasonably determined.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Clerk of Court, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 12 of the financial statements, the financial statements for the year ended June 30, 2012 have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

As described in Note 16 to the financial statements, the Clerk of Court implemented the provisions of the Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison schedules and a schedule of funding progress for postemployment benefits other than pensions 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 budgetary comparison schedule on pages 28 and 29 or the schedule

of funding progress for postemployment benefits other than pensions on page 30 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Clerk of Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Requirements Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2013, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 *Governmental Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

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

Morgan City, Louisiana
December 17, 2013

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,047,107
Receivables:	
Accounts, net	12,338
Due from other governmental entities	20,313
Other	1,750
Prepaid expenses	<u>17,321</u>
Total current assets	2,098,829
Noncurrent assets:	
Capital assets, net	<u>22,673</u>
Total assets	<u>2,121,502</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,645
Compensated absences payable	<u>27,478</u>
Total current liabilities	30,123
Noncurrent liabilities:	
Net OPEB obligation	<u>164,206</u>
Total liabilities	<u>194,329</u>
NET POSITION	
Invested in capital assets	22,673
Unrestricted	<u>1,904,500</u>
Total net position	<u>\$ 1,927,173</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Activities
Year Ended June 30, 2013

Activities	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Assets Governmental Activities
Governmental activities:			
General government	\$ 1,333,941	\$ 1,359,893	\$ 25,952
			General revenues:
			Interest and investment earnings
			17,908
			Change in net position
			43,860
			Net position - July 1, 2012, as restated
			1,883,313
			Net position - June 30, 2013
			\$ 1,927,173

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

FUND FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet
Governmental Fund
June 30, 2013

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 2,047,107
Receivable:	
Accounts, net	12,338
Due from other governmental entities	20,313
Other	1,750
Prepaid expenditures	<u>17,321</u>
Total assets	<u>\$ 2,098,829</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 2,645
Other liabilities	<u>27,478</u>
Total liabilities	<u>30,123</u>
Fund balance:	
Nonspendable - prepaid expenditures	17,321
Unassigned	<u>2,051,385</u>
Total fund balance	<u>2,068,706</u>
Total liabilities and fund balance	<u>\$ 2,098,829</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet (continued)
Governmental Fund
June 30, 2013

Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position:

Total fund balance for the governmental fund at June 30, 2013		\$2,068,706
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of		
Cost of capital assets at June 30, 2013	\$ 217,914	
Less: Accumulated depreciation	<u>(195,241)</u>	22,673
Liabilities not due and payable in the current period are therefore not reported in the funds		<u>(164,206)</u>
Total net position of governmental activities at June 30, 2013		<u>\$1,927,173</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended June 30, 2013

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 20,891
Fees, charges and commissions for services	1,289,302
Intergovernmental	18,142
Miscellaneous	<u>49,466</u>
Total revenues	<u>1,377,801</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	949,187
Operating services	203,578
Material and supplies	119,287
Capital outlay	<u>10,662</u>
Total expenditures	<u>1,282,714</u>
Net change in fund balance	95,087
Fund balance, beginning	<u>1,973,619</u>
Fund balance, ending	<u>\$2,068,706</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended June 30, 2013

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:

Total net change in fund balances for the year ended June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balances \$ 95,087

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

Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance 10,662
Less: Depreciation expense for year ended June 30, 2013 (6,309) 4,353

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds (55,580)

Total change in net position for the year ended June 30, 2013 per Statement of Activities \$ 43,860

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Fiduciary Net Position
June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	\$ 28,748,384
Investments	<u>3,949,813</u>
Total assets	<u>\$ 32,698,197</u>
LIABILITIES	
Due to litigants and others	<u>\$ 32,698,197</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Plaquemines Parish Clerk of Court (Clerk of Court) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. The Clerk of Court is a component unit of the Plaquemines Parish Government. The Clerk of Court is fiscally dependent on the Plaquemines Parish Government since the Clerk of Court's offices are located in the Parish Courthouse, the upkeep and maintenance of the courthouse is paid by the Parish Government and certain operating expenditures of the Clerk of Court's office are paid by the Parish Government.

As an independently elected official, the Clerk of Court is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

B. Basis of Presentation

Government-Wide Financial Statements

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fund Financial Statements

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

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

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

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

Governmental Fund -

General Fund

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fiduciary Funds -

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

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

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

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk of Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (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.

D. 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 of Court.

Capital Assets

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

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
-----------------------------------	------------

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Compensated Absences

Employees of the Clerk of Court's office earn 10 days of vacation leave each year. In addition, employees earn 12 days of personal leave each year. Employees are allowed to carry over a maximum of five (5) days unused vacation per year. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation leave at the employee's current rate of pay. Employees are not paid for unused sick leave upon termination or retirement.

Equity Classifications

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

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund balance for the Clerk of Court's governmental fund (the General Fund) is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

- e. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Clerk of Court's General Fund.

E. Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

F. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available indicating the uncollectibility of the receivable.

G. Use of Restricted Funds

When both restricted and unrestricted resources are available, the policy of the Clerk of Court is to use unrestricted resources first, then unrestricted resources as they are needed.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in 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 \$30,795,491 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and interest-bearing deposits	\$ 2,047,107	\$ 28,748,384	\$ 30,795,491

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the Clerk of Court or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or the Clerk of Court will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2013, the Clerk of Court has \$30,943,185 in deposits (bank balances), of which \$750,000 was secured by

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

federal depository insurance and \$30,193,185 was covered by collateral held by the Clerk of Court's fiscal agent in the Clerk of Court's name. Since the total bank balances were fully insured or collateralized, the deposits are not exposed to custodial credit risk.

(3) Investments

The Clerk can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. At June 30, 2013 the Clerk of Court's Registry of Court Fund (an Agency Fund) holds investments totaling \$3,949,813:

<u>Description</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>	<u>Market Value</u>
U.S. Treasury Bill	7/11/2013	0.08%	\$ 3,529,914	\$ 3,529,965
U.S. Treasury Bill	8/29/2013	0.12%	129,974	129,995
U.S. Treasury Bill	10/24/2013	0.08%	289,925	289,950
			<u>\$ 3,949,813</u>	<u>\$ 3,949,910</u>

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the Clerk of Court may not be able to recover the value of its investments or the Clerk of Court will not be able to recover collateral that is in the possession of an outside party. As of June 30, 2013, the Clerk of Court's investments were fully insured and registered in the name of the Clerk of Court by the counterparty and therefore not exposed to custodial credit risk.

The Clerk of Court manages its exposure to interest rate risk by limiting the maturity of its investments in U. S. Treasury Bills to six months or less.

The Clerk of Court places no limit on the amount that may be invested in any one issuer and is subject to concentration of credit risk. One hundred percent (100%) of the Clerk of Court's investments are in obligations of the United States.

(4) Receivables and Due from Other Governmental Entities

Receivables and amounts due from other governmental entities at June 30, 2013 consist of the following:

	<u>Receivables</u>	<u>Due from Other Governments</u>
Governmental activities:		
Accounts, net of allowance of \$342	\$ 12,338	\$ -
State of Louisiana:		
Support enforcement services	-	5,801
Clerk supplemental compensation fund	1,750	-
Plaquemines Parish Sheriff	-	14,512
	<u>\$ 14,088</u>	<u>\$ 20,313</u>

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(5) Capital Assets

Capital asset balances and activity for the year ended June 30, 2013 is as follows:

	<u>Balance</u> <u>7/1/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2013</u>
Furniture, fixtures, and equipment	\$ 207,252	\$ 10,662	\$ -	\$ 217,914
Less: Accumulated depreciation	<u>(188,932)</u>	<u>(6,309)</u>	<u>-</u>	<u>(195,241)</u>
Net capital assets	<u>\$ 18,320</u>	<u>\$ 4,353</u>	<u>\$ -</u>	<u>\$ 22,673</u>

Depreciation expense of \$6,309 was charged to the general government function.

(6) Pension Plan

Plan Description. Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The Clerk of Court Retirement and Relief Fund issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

Funding Policy. Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25% of annual covered payroll. The Clerk contributes the employees' portion on behalf of employees. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk of Court's contributions to the System for the years ended June 30, 2013, 2012, and 2011 were \$144,191, \$139,696, and \$144,191, respectively, equal to the required contributions for each year.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

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

Funding Policy. The contribution requirements of plan members and the Clerk of Court are established and may be amended by the LCCIT board of trustees. The Clerk of Court pays for the entire premium charged by the LCCA for retirees. Retirees are required to pay 50% of the premium for their dependents. Vision is voluntary and paid 100% by the retiree. For the year ended June 30, 2013, the Clerk of Court contributed \$31,840 to the plan and the retirees contributed \$2,901.

Annual OPEB Cost and Net OPEB Obligation. For the year ended June 30, 2013, the Clerk of Court’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of the Clerk of Court (“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 of Court’s annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Clerk of Court’s net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 89,324
Interest on net OPEB obligation	3,802
Adjustment to annual required contribution	<u>(5,706)</u>
Annual OPEB cost (expense)	87,420
Contributions made	<u>(31,840)</u>
Increase in net OPEB obligation	55,580
Net OPEB obligation - beginning of year, as restated	<u>108,626</u>
Net OPEB obligation - end of year	<u>\$ 164,206</u>

The Clerk of Court’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years 2011, 2012 and 2013 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$87,420	36.4%	\$164,206
6/30/2012	\$59,745	40.8%	\$108,626
6/30/2011	\$59,615	49.1%	\$73,244

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Funded Status and Funding Progress. As of June 30, 2013, the actuarial accrued liability for benefits was \$1,157,350, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$589,193, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 196.4%.

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

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 of Court's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate 5.5% after 15 years. The Clerk of Court's unfunded actuarial liability is being amortized on a level dollar, open basis over 30 years.

(8) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Year Ended June 30, 2013			Unsettled Deposits at End of Year
	Unsettled Deposits at Beginning of Year	Additions	Reductions	
Agency funds:				
Advance Deposit	\$ 1,497,618	\$ 665,608	\$ 638,561	\$ 1,524,665
Registry of Court	41,751,062	3,013,313	13,590,844	31,173,531
Election Qualifying	1	-	-	1
Totals	<u>\$ 43,248,681</u>	<u>\$ 3,678,921</u>	<u>\$ 14,229,405</u>	<u>\$ 32,698,197</u>

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(9) Compensated Absences

The following is a summary of transactions for the year ended June 30, 2013:

Compensated absences payable, July 1, 2012	\$ 23,847
Additions	<u>3,631</u>
Compensated absences payable, June 30, 2013	<u>\$ 27,478</u>

In prior years, compensated absences have typically been liquidated by the Clerk of Court's General Fund.

(10) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with 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.

The Clerk of Court's contributions to the Plan for the year ended June 30, 2013 was \$106,674.

(11) Lease Commitments

In March 2013, the Clerk of Court established an operating lease for a vehicle. The lease expires on March 22, 2016. The future minimum lease commitments by fiscal year are as follows:

Year Ended	
<u>June 30</u>	
2014	\$ 3,574
2015	3,574
2016	<u>3,574</u>
Total future minimum lease payments	<u>\$ 10,722</u>

Lease expenditures were \$3,574 for the year ended June 30, 2013.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(12) Prior Period Adjustment

An error in the computation of the Clerk of Court's net OPEB obligation which resulted in the understatement of net position in the Clerk of Court's previously issued government-wide financial statements has been corrected in the current year. This correction resulted in the following change to beginning net position:

Beginning balance, as previously reported	\$ 1,859,222
Overestimated net OPEB obligation	<u>24,091</u>
Beginning balance, as restated	<u>\$ 1,883,313</u>

(13) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. The Clerk of Court has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Clerk of Court is insured up to policy limits for each of the above risks. There were no significant changes in coverage's, retentions, or limits during the year ended June 30, 2013. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(14) Expenditures of the Clerk of Court Paid by the Plaquemines Parish Government

The Clerk of Court's office is located in the Plaquemines Parish Annex building. The Plaquemines Parish Government pays the upkeep and maintenance of the building. In addition, the Parish Government also pays some of the Clerk of Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(15) Excess Fund Balance

R.S. 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of her term of office. The potential liability to the parish is limited to amounts received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books. At June 30, 2013, there was no amount due the parish treasurer since the Clerk of Court's term of office expires on June 30, 2016.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(16) New Accounting Pronouncement

During the year ended June 30, 2013, the Clerk of Court implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as applicable.

In April 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections- 2012*. Statement No. 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The provisions of GASB Nos. 65 and 66 must be implemented by the Clerk of Court for the year ending June 30, 2014. The effect of implementation on the Clerk of Court's financial statements has not yet been determined.

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

REQUIRED SUPPLEMENTARY INFORMATION

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2013

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Licenses and permits	\$ 11,000	\$ 19,200	\$ 20,891	\$ 1,691
Fees, charges and commissions for services	1,205,500	1,423,412	1,289,302	(134,110)
Intergovernmental	10,000	12,400	18,142	5,742
Miscellaneous	30,300	51,010	49,466	(1,544)
Total revenues	<u>1,256,800</u>	<u>1,506,022</u>	<u>1,377,801</u>	<u>(128,221)</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	954,976	943,439	949,187	(5,748)
Operating services	241,250	204,471	203,578	893
Material and supplies	118,600	136,046	119,287	16,759
Capital outlay	-	3,270	10,662	(7,392)
Total expenditures	<u>1,314,826</u>	<u>1,287,226</u>	<u>1,282,714</u>	<u>4,512</u>
Net change in fund balance	(58,026)	218,796	95,087	(123,709)
Fund balance, beginning	<u>1,945,983</u>	<u>1,973,619</u>	<u>1,973,619</u>	<u>-</u>
Fund balance, ending	<u>\$1,887,957</u>	<u>\$2,192,415</u>	<u>\$2,068,706</u>	<u>\$ (123,709)</u>

See notes to budgetary comparison schedule.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk of Court.

(2) Budgetary and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

PLAQUEMINES PARISH CLERK OF COURT
 Belle Chasse, Louisiana

Schedule of Funding Progress
 Postemployment Benefits Other than Pensions
 Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
7/1/2009	\$0	\$877,443	\$877,443	0.0%	\$534,552	164.1%
7/1/2012	\$0	\$1,157,350	\$1,157,350	0.0%	\$589,193	196.4%

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

OFFICES

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

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

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

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

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

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

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

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

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

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*

The Honorable Dorothy M. Lundin
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to the financial audits contained the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Plaquemines Parish Government, 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 and have issued our report thereon dated December 17, 2013. We expressed modified opinions on the financial statements of the Clerk of Court's governmental activities, major fund, and aggregate remaining fund information because the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2013.

Internal Control over Financial Reporting

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

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

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. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and which are described as item 2013-1 and 2013-2 in the accompanying schedule of audit results and findings.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit results and findings as item 2013-3.

Clerk of Court's Responses to Findings

The Clerk of Court's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year findings. The Clerk of Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Morgan City, Louisiana
December 17, 2013

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings
Year Ended June 30, 2013

Part I. Summary of Auditor's Results:

A modified opinion was issued on the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information because the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits.

Two (2) deficiencies in internal control were disclosed by the audit of the financial statements. Both deficiencies are considered to be material weaknesses.

The results of our tests disclosed an instance of noncompliance which is required to be reported in accordance with *Government Auditing Standards*.

A management letter was not issued.

Part II. Findings required to be reported in accordance with *Governmental Auditing Standards*:

A. Internal Control

2013-1 Segregation of duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process effected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2013

2013-2 Reconciliation of docket balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund have not been reconciled with the related cash deposits.

CRITERIA: Internal control is a process effected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the condition is the failure to reconcile individual suit docket balances to the related cash deposits.

EFFECT: Failure to reconcile docket balances with the related cash deposits increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: We recommend that the Clerk of Court attempt to reconcile the individual suit dockets with the related cash balances.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2013

B. Compliance

2013-3 Budget Variance

CONDITION: Budget variance in excess of 5% was incurred in the General Fund.

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for the following:

“A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

(1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

(2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

(3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

CAUSE: The condition results from a failure to properly monitor the revenues and expenditures of the General Fund.

EFFECT: The Clerk of Court may not prevent and/or detect compliance violations due to over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: We recommend that the Clerk of Court periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

Part III. Findings and questioned costs for federal awards reported in accordance with Office of Management and Budget Circular A-133:

The requirements of OMB Circular A-133 do not apply to the Clerk of Court.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013

A. Internal Control-

2012-1 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of audit results and findings item 2013-1.

2012-2 – Reconciliation of docket balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.

RECOMMENDATION: We recommend that the Clerk of Court attempt to reconcile the individual suit dockets with the related cash balances.

CURRENT STATUS: See schedule of audit results and findings item 2013-2.

B. Compliance-

There were no findings previously reported under this section.

C. OMB A-133-

This section was not applicable.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Corrective Action Plan for Current Year Findings
Year Ended June 30, 2013

2013-1- Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: N/A

2013-2- Reconciliation of Docket Balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.

MANAGEMENT'S RESPONSE: The Clerk of Court continues the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund. These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

2013-3- Budget Variance

CONDITION: Budget variance in excess of 5% was incurred in the General Fund.

MANAGEMENT'S RESPONSE: The Clerk of Court will more closely monitor budget to actual comparisons and adopt the necessary amendments to insure compliance with state statute.