

**LASALLE PARISH CLERK OF COURT
JENA, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2012**

LaSalle Parish Clerk of Court
Jena, Louisiana

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-4
Independent Auditor's Report	-	5-6
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets	A	9
Statement of Activities	B	10
Fund Financial Statements		
Balance Sheet-Governmental Fund	C	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	D	13
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund	E	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	15
Statement of Fiduciary Net Assets-Fiduciary Funds	G	16
Statement of Changes in Fiduciary Net Assets-Fiduciary Funds	H	17
Notes to Financial Statements	-	19-30
Other Required Supplementary Information		
Budgetary Comparison Schedule-General Fund	I	32
Supplementary Information		
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>	J	34-35
Schedule of Audit Findings	K	36

LaSalle Parish Clerk of Court
Jena, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

As management of the LaSalle Parish Clerk of Court, we offer readers of the Clerk's financial statements this narrative overview and analysis of the financial activities of the Clerk for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the Clerk's financial statements, which are attached.

Financial Highlights

(GWFS)

- The liabilities of the governmental activities of the Clerk exceeded its assets at the close of the most recent fiscal year by \$356,064 (net assets). This is mainly due to the implementation of GASB No. 45, Other Post Employment Benefits.
- In the governmental activities, the Clerk's office had total revenues of \$703,760 and total expenses of \$783,056.

(FFS)

- In the General Fund the Clerk's office has total revenues of \$703,760 and total expenditures of \$659,889 which increased the fund balance by \$43,871 leaving a fund balance of \$75,389.
- The Clerk's capital outlay for the year was \$33,923.
- The Agency Funds have total assets of \$380,858.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The Clerk's basic financial statements consist of the Statement of Net Assets, Statement of Activities, Balance Sheet, Statement of Revenue, Expenditures and Changes in Fund Balances, and the Notes to the Basic Financial Statements.

The Clerk's overall financial position and operations for the past two years summarized below on the information in the current and prior financial statements.

**Statement of Net Assets
Governmental Activities**

<u>Category</u>	<u>2012</u>	<u>2011</u>	<u>Amount of Change</u>
Cash & Cash Equivalents	\$ 60,283	\$ 26,537	\$ 33,746
Receivables	14,910	13,553	1,357
Capital Assets, Net	43,936	17,799	26,137
Prepaid Expense	<u>9,695</u>	<u>287</u>	<u>9,408</u>
Total Assets	<u>\$ 128,824</u>	<u>\$ 58,176</u>	<u>\$ 70,648</u>
Accounts Payable	\$ 4,325	\$ 4,116	\$ 209
Payroll & Related Liabilities	5,174	4,744	430
Long-Term Debt (Within One Year)	478	5,543	(5,065)
Long-Term Debt (Due After One Year)	0	478	(478)
Net Pension Obligation	<u>474,911</u>	<u>320,063</u>	<u>154,848</u>
Total Liabilities	<u>\$ 484,888</u>	<u>\$ 334,944</u>	<u>\$ 149,944</u>
Investment in Capital Assets, Net of Debt	\$ 43,458	\$ 11,777	\$ 31,681
Unrestricted Assets	<u>(399,522)</u>	<u>(288,545)</u>	<u>(110,977)</u>
Total Net Assets	<u>\$(356,064)</u>	<u>\$(276,768)</u>	<u>\$ (79,296)</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund**

<u>Category</u>	<u>2012</u>	<u>2011</u>	<u>Amount of Change</u>
Revenues	\$703,760	\$607,799	\$ 95,961
Expenditures	<u>659,889</u>	<u>637,707</u>	<u>22,182</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 43,871	\$ (29,908)	\$ 73,779
Fund Balance-Beginning	<u>31,518</u>	<u>61,426</u>	<u>(29,908)</u>
Fund Balance-Ending	<u>\$ 75,389</u>	<u>\$ 31,518</u>	<u>\$ 43,871</u>

Government-Wide Statements

The government-wide statements report information about the LaSalle Parish Clerk of Court as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the LaSalle Parish Clerk of Court's net assets and how they have changed. Net assets equal the difference between the government's assets and liabilities.

- Over time, increases or decreases in the Clerk's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the government, one needs to consider additional non-financial factors such as changes in the Clerk's revenue sources.

The government-wide financial statements of the LaSalle Parish Clerk of Court include the *Governmental Activities*. Most of the Clerk's basic services are included here, such as legal recordings and filings.

Fund Financial Statements

The fund financial statements provide more detailed information about the LaSalle Parish Clerk of Court's most significant fund - not the government as a whole. Funds are accounting devices that the Clerk uses to keep track of specific sources of funding and spending for particular purposes.

The LaSalle Parish Clerk of Court has the following types of funds:

- *Governmental Funds* - Most of the Clerk's basic services are included in governmental funds, which focus on (a) how cash and other financial assets can readily be converted to cash flow in and out and (b) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. Because this information does not encompass the additional long-term focus of the governmental-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary Funds* - The Clerk is the trustee, or fiduciary, for certain funds. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Clerk's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Clerk's governmental-wide financial statements because the Clerk cannot use these assets to finance its operations.

Contacting the LaSalle Parish Clerk of Court

This financial report is designed to provide a general overview of the LaSalle Parish Clerk of Court's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

LaSalle Parish Clerk of Court
P. O. Box 1316
Jena, LA 71342

Johnson, Thomas & Cunningham

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INDEPENDENT AUDITOR'S REPORT

Honorable Steve D. Andrews
LaSalle Parish Clerk of Court
Jena, Louisiana

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the LaSalle Parish Clerk of Court, a component unit of the LaSalle Parish Police Jury, as of and for the year ended June 30, 2012, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Clerk. Our responsibility is to express an opinion 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 and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 fiduciary funds of the Clerk as of June 30, 2012, and the respective changes in financial position thereof 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 our report dated December 17, 2012, on our consideration of the Clerk'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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 4 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, which 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 management's discussion and analysis 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The budgetary comparison listed as required supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 17, 2012
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash	\$ 60,283
Revenue Receivable	14,910
Prepaid Expense	<u>9,695</u>
Total Current Assets	\$ 84,888
Noncurrent Assets-	
Capital Assets, Net	<u>43,936</u>
Total Assets	\$ <u>128,824</u>
LIABILITIES:	
Accounts Payable	\$ 4,325
Payroll Related Liabilities	5,174
Long-Term Debt-	
Current Portion	478
Net Pension Obligation	<u>474,911</u>
Total Liabilities	\$ <u>484,888</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	\$ 43,458
Unrestricted	<u>(399,522)</u>
Total Net Assets	\$ <u>(356,064)</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Activities
June 30, 2012

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$783,056</u>	<u>\$634,037</u>	<u>\$18,240</u>	<u>\$0</u>	<u>\$(130,779)</u>
		General Revenues:			
				Intergovernmental-	
				LaSalle Parish Police Jury	\$ 50,723
				Interest	<u>760</u>
				Total General Revenues	<u>\$ 51,483</u>
				Change in Net Assets	<u>\$ (79,296)</u>
				Net Assets June 30, 2011	<u>(276,768)</u>
				Net Assets June 30, 2012	<u>\$(356,064)</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Balance Sheet-Governmental Fund
June 30, 2012

ASSETS:

Cash	\$60,283
Revenue Receivable	14,910
Prepaid Expense	<u>9,695</u>
Total Assets	<u>\$84,888</u>

LIABILITIES:

Accounts Payable	\$ 4,325
Payroll & Related Liabilities	<u>5,174</u>
Total Liabilities	<u>\$ 9,499</u>

FUND BALANCES:

Nonspendable- Prepaid Expense	\$ 9,695
Unassigned	<u>65,694</u>
Total Fund Balance	<u>\$75,389</u>
Total Liabilities & Fund Balance	<u>\$84,888</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
June 30, 2012

Total Fund Balance for the Governmental Fund
at June 30, 2012 \$ 75,389

Total Net Assets reported for Governmental Activities
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the fund. Those assets consist of:

Vehicles	\$ 20,485	
Furniture, Fixtures, and Equipment	<u>241,735</u>	
Total Capital Assets	\$ 262,220	
Less, Accumulated Depreciation	<u>(218,284)</u>	43,936

Long-term liabilities are not due and payable in the
current period and, therefore, are not reported in
the Governmental Fund Balance Sheet

Long-Term Debt	(478)
Net Pension Obligation	<u>(474,911)</u>

Total Net Assets of Governmental Activities
at June 30, 2012 \$(356,064)

LaSalle Parish Clerk of Court
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
June 30, 2012

Revenues:	
Licenses & Permits	\$ 4,673
Charges for Services	629,364
Intergovernmental-	
LaSalle Parish Police Jury	50,723
Supplemental Compensation Fund	18,240
Miscellaneous-	
Interest	<u>760</u>
Total Revenues	<u>\$703,760</u>
Expenditures:	
Current-	
Judicial-	
Personnel Services	\$511,061
Operating Services	43,982
Operating Supplies	58,748
Miscellaneous	6,430
Debt Repayment-Principal	5,543
Debt Repayment-Interest	202
Capital Expenditures	<u>33,923</u>
Total Expenditures	<u>\$659,889</u>
Excess of Revenues over Expenditures	\$ 43,871
Fund Balance-Beginning of Year	<u>31,518</u>
Fund Balance-End of Year	<u>\$ 75,389</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended June 30, 2012

Total Net Change in Fund Balance at June 30, 2012, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 43,871
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Payments made on Long-term Debt are shown as expenditures in the Governmental Funds, but the payments reduce Long-term Liabilities in the Statement of Net Assets. Changes in Long-term Debt were	
	5,543
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. These amounts are:	
Capital Outlays	\$33,923
Depreciation Expense	<u>(7,786)</u>
	26,137
Other Post-employment Benefits are reported in the Government- wide Statement of Activities, but are not reported in the Fund Financial Statements. Current year Net Pension Obligation is	<u>(154,847)</u>
Total Changes in Net Assets at June 30, 2012, per Statement of Activities	<u>\$ (79,296)</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Non-Support <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$267,809</u>	<u>\$113,057</u>	<u>\$20</u>	<u>\$380,886</u>
LIABILITIES:				
Cash Overdraft	\$ 28	\$ 0	\$ 0	\$ 28
Due to Others	<u>267,781</u>	<u>113,057</u>	<u>20</u>	<u>380,858</u>
Total Liabilities	<u>\$267,809</u>	<u>\$113,057</u>	<u>\$20</u>	<u>\$380,886</u>

LaSalle Parish Clerk of Court
Statement of Changes in Fiduciary Net Assets
for the Year Ended June 30, 2012

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Non-Support <u>Fund</u>	<u>Total</u>
ADDITIONS:				
Suits and Successions	\$361,720	\$ 3,247	\$10,146	\$375,113
Interest Income	<u>0</u>	<u>177</u>	<u>0</u>	<u>177</u>
Total Additions	\$361,720	\$ 3,424	\$10,146	\$375,290
DEDUCTIONS:				
Clerk's Costs (paid to general fund)	\$239,848	\$ 0	\$ 557	\$240,405
Settlements to Litigants	43,005	20,062	0	63,067
Sheriff's Fees	25,320	0	9,589	34,909
Attorneys, Curators, Notary	9,978	0	0	9,978
Other Deductions	<u>18,279</u>	<u>1</u>	<u>0</u>	<u>18,280</u>
Total Deductions	\$336,430	\$ 20,063	\$10,146	\$366,639
Change in Liabilities	\$ 25,290	\$ (16,639)	\$ 0	\$ 8,651
Total Liabilities-Beginning	<u>242,491</u>	<u>129,696</u>	<u>20</u>	<u>372,207</u>
Total Liabilities-Ending	<u>\$267,781</u>	<u>\$113,057</u>	<u>\$ 20</u>	<u>\$380,858</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

Introduction:

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the LaSalle Parish 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.

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the LaSalle Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the LaSalle Parish Police Jury is the financial reporting entity for LaSalle Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) other organizations for which the primary government is financially accountable, and (c) 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 LaSalle 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the LaSalle Parish Police Jury does not appoint a voting majority but are fiscally dependent on the LaSalle Parish Police Jury.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

3. 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 LaSalle Parish Police Jury provides office facilities for the Clerk of Court, the Clerk of Court was determined to be fiscally dependent on the Police Jury and accordingly is considered to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the LaSalle Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING-

The LaSalle Parish Clerk of Court 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 of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. An emphasis is placed on major funds, and the General Fund is considered to be a major fund.

Governmental Fund

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the LaSalle Parish Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund.

Fiduciary Funds

Agency Funds - The agency funds, the Advance Deposit Fund, Registry of Court Fund, and Non-Support Fund account for assets held by the clerk as an agent for others and litigants held 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.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the LaSalle Parish Clerk of Court, except for the fiduciary funds which are reported separately.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

The government-wide financial statements were prepared using 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.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The governmental fund and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The LaSalle Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. All other revenues are recorded when received.

Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

E. BUDGETARY ACCOUNTING-

Formal budgetary accounting is employed as a management control. The LaSalle Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk of Court amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amount by five percent or more. All budget appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS-

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the Clerk may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. The Clerk's policy is to include time deposits and certificates of deposit in cash equivalents.

G. INVESTMENTS-

Investments are limited by R. S. 33:2955 and the LaSalle Parish Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. RECEIVABLES-

All receivables are reported at their gross value. The Clerk expects to collect all balances due, and no allowance for bad debts is recorded.

I. CAPITAL ASSETS-

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the LaSalle Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

J. COMPENSATED ABSENCES-

The Vacation/Sick time policy is as follows: After 6 months of employment, each employee receives 1 week vacation, after 1 year they receive 2 weeks, after 10 years they receive 3 weeks. An additional 1 week is given for sick time each year. All Vacation/Sick time is lost if not used each year. Therefore, no entry is made to record compensated absences.

K. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net assets 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 assets - Consists of net assets 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When an expense is incurred for the purposes for which both restricted and unrestricted net assets are available, the Clerk applies unrestricted net assets first, unless a determination is made to use restricted net assets. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Clerk at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Clerk's only governmental fund, has a nonspendable fund balance of \$9,695 which represents prepaid expenses. The remaining fund balance of \$65,694 is classified as unassigned. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

2. Cash and Cash Equivalents and Related Credit Risk:

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. The Clerk of Court may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

At June 30, 2012, the Clerk of Court had cash and cash equivalents (book balances) totaling \$441,141 as follows:

Demand Deposits	\$ (8)
Interest-bearing Demand Deposits	381,149
Time Deposits	<u>60,000</u>
Total	<u>\$441,141</u>

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

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 bank. 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.

At June 30, 2012, the Clerk of Court has \$494,133 in collected bank balances. These deposits are secured from credit risk as follows:

Collected Bank Balances	\$ 494,133
FDIC Insurance	(368,136)
Pledged Securities	<u>(125,997)</u>
Balance Subject to Credit Risk	\$ <u>0</u>

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB, 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.

3. Revenue Receivable:

The following is a summary of receivables at June 30, 2012:

<u>Class of Receivable</u>	<u>Total</u>
Fees & charges for services	<u>\$14,910</u>

4. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2012, is as follows:

	<u>Balance</u> <u>06-30-11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-12</u>
Vehicles	\$ 20,485	\$ 0	\$0	\$ 20,485
Furniture fixtures, and equipment	207,812	33,923	0	241,735
Less, accumulated depreciation	<u>(210,498)</u>	<u>(7,786)</u>	<u>0</u>	<u>(218,284)</u>
Total Capital Assets, net	\$ <u>17,799</u>	\$ <u>26,137</u>	\$ <u>0</u>	\$ <u>43,936</u>

Depreciation expense of \$7,786 was charged to the judicial function.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

5. Accounts Payable:

The following is a summary of accounts payable at June 30, 2012:

<u>Class of Payable</u>	<u>Total</u>
Vendor	\$4,325
Payroll	<u>5,174</u>
Total	<u>\$9,499</u>

6. Pension Plan:

Plan Description - Substantially all employees of the LaSalle Parish 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 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces 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 System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy - Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the LaSalle Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of a plan member and the LaSalle Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The LaSalle Parish Clerk of Court's contribution to the System for the years ending June 30, 2012, 2011, and 2010, were \$45,304, \$47,347 and \$41,707, respectively, equal to the required contribution for each year.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

7. Other Postemployment Benefits:

Plan Description. The LaSalle Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan (“the Retiree Healthcare Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees through the clerk’s group health insurance plan. Benefit provisions are established by the LaSalle Parish Clerk of Court. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the Year ending June 30, 2010, the LaSalle Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the beginning other post employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2011) will be amortized and recognized as an expense over thirty years.

Funding Policy. The LaSalle Parish Clerk of Court contributes 100% of the cost of current year premiums for eligible retired employees. For the year ended June 30, 2012, the LaSalle Parish Clerk of Court contributed \$45,120 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The clerk’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The LaSalle Parish Clerk of Court has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs 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 costs for the year, the amount actually contributed to the plan, and changes in the clerk’s net OPEB obligation to the retiree health plan.

Annual required contribution	\$193,566
Interest on net OPEB obligation	6,401
Adjustment to annual required contribution	<u>0</u>
Annual OPEB cost (expense)	\$199,967
Contributions made	<u>(45,120)</u>
Increase in net OPEB obligation	\$154,847
Net OPEB obligation at beginning of year	<u>320,063</u>
Net OPEB obligation at end of year	<u>\$474,910</u>

The Clerk’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2012, was \$199,967, 22.6%, and \$474,910, respectively.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

Funded Status and Funding Progress. As of June 30, 2012, the actuarial accrued liability for benefits was \$2,632,835, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$262,634, and ratio of the unfunded actuarial accrued liability to the covered payroll was 1,003%.

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

Methods and Assumption. 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 methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the Clerk's office.

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2003 United States Life Tables for Males and for Females, revised March, 2007, were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.5% initially, increased to an ultimate rate of 6.1 % after ten years, was used.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

Health insurance premiums - 2010 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - A long-term inflation assumption of 3.9% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2010 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the clerk's short-term investments, a discount rate 2.00% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012, was twenty-seven years.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/10	\$0	\$2,632,835	\$2,632,835	16.2%	\$282,761	931%
6/30/11	\$0	\$2,632,835	\$2,632,835	19.8%	\$277,462	949%
6/30/12	\$0	\$2,632,835	\$2,632,835	22.6%	\$262,634	1,003%

8. Long-Term Debt:

In July 2008, the Clerk borrowed \$20,486 at 5.75% interest for 4 years from Sabine State Bank & Trust for the purchase of a 2007 Ford Truck.

The following is a summary of changes on long-term debt for the year ended June 30, 2012:

Balance July 1, 2011	\$ 6,021
Additions	0
Reductions	<u>(5,543)</u>
Balance June 30, 2012	<u>\$ 478</u>

The annual requirements to amortize all debt outstanding as of June 30, 2012, are as follows:

	<u>Principal</u>	<u>Interest</u>
2013	<u>\$478</u>	<u>\$2</u>
Total	<u>\$478</u>	<u>\$2</u>

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2012

9. Risk Management:

The LaSalle Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

10. Expenditures of the Clerk of Court Paid by the LaSalle Parish Police Jury:

Certain expenses of the LaSalle Parish Clerk of Court's office are paid by the LaSalle Parish Police Jury. In addition to furnishing the building where the Clerk's office is located, the Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk's office.

11. Deferred Compensation:

All of the employees of the LaSalle Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$17,000 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The LaSalle Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. The Clerk did not match any funds contributed by the employees; therefore the Clerk incurred no expense for deferred compensation.

12. Subsequent Events:

Management has evaluated events through December 17, 2012, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

LaSalle Parish Clerk of Court
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Licenses & Permits	\$ 3,795	\$ 4,673	\$ 4,673	\$ 0
Charges for Services	584,426	615,271	629,364	14,093
Intergovernmental-				
LaSalle Parish Police Jury	0	0	50,723	50,723
Supplemental Compensation Fund	19,800	19,470	18,240	(1,230)
Miscellaneous-				
Interest	<u>2,104</u>	<u>1,412</u>	<u>760</u>	<u>(652)</u>
Total Revenues	<u>\$610,125</u>	<u>\$640,826</u>	<u>\$703,760</u>	<u>\$ 62,934</u>
EXPENDITURES:				
Current-				
Judicial-				
Personnel Costs	\$457,281	\$511,065	\$511,061	\$ 4
Operating Services	82,321	45,902	43,982	1,920
Operating Supplies	39,370	38,370	58,748	(20,378)
Miscellaneous	10,732	8,205	6,430	1,775
Debt Repayment	5,746	6,224	5,745	479
Capital Expenditures	<u>14,675</u>	<u>31,060</u>	<u>33,923</u>	<u>(2,863)</u>
Total Expenditures	<u>\$610,125</u>	<u>\$640,826</u>	<u>\$659,889</u>	<u>\$(19,063)</u>
Excess of Revenues over Expenditures	\$ 0	\$ 0	\$ 43,871	\$ 43,871
Fund Balance-Beginning of Year	<u>31,518</u>	<u>31,518</u>	<u>31,518</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 31,518</u>	<u>\$ 31,518</u>	<u>\$ 75,389</u>	<u>\$ 43,871</u>

See accountant's report.

SUPPLEMENTARY INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Steve D. Andrews
LaSalle Parish Clerk of Court
Jena, Louisiana

We have audited the financial statements of the governmental activities, major fund and fiduciary funds of the LaSalle Parish Clerk of Court, as of and for the year ended June 30, 2012, which collectively comprise the LaSalle Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 17, 2012. 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, and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

The LaSalle Parish Clerk of Court is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the LaSalle Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LaSalle Parish Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LaSalle Parish Clerk of Court's internal control over financial reporting.

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's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LaSalle 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Louisiana Legislative Auditor, and management of the LaSalle Parish Clerk of Court and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 17, 2012
Natchitoches, Louisiana

LaSalle Parish Clerk of Court
Schedule of Audit Findings
Year Ended June 30, 2012

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unqualified opinion was issued on the general purpose financial statements of the LaSalle Parish Clerk of Court as of and for the year ended June 30, 2012.
2. The audit did not disclose any significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings.

III. PRIOR YEAR AUDIT FINDINGS

11-01 Reconciliation of Accounts

Condition - A good system of internal control includes the reconciling of related account balances to ensure completeness and accuracy. At June 30, 2011, the Clerk of Court's office did not have a system in place to reconcile the cash accounts of the Advance Deposit Fund to the related individual docket balances held by that fund.

Status - As of June 30, 2012, this condition was cleared.