

ST. TAMMANY PARISH CLERK OF COURT

ST. TAMMANY PARISH, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2013

ERICKSEN KRENTEL & LAPORTE L.L.P.

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INDEPENDENT AUDITORS' REPORT

To the Honorable Malise Prieto
St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Clerk'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.

Auditors' 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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

St. Tammany Parish Clerk of Court
December 31, 2013
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish 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.

As discussed in Note 1 to the financial statements, in fiscal year 2013, St. Tammany Parish Clerk of Court adopted new accounting guidance, GASB 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 the management's discussion and analysis, budgetary comparison information and schedule of funding progress for OPEB plan on pages 4 through 10 and 32 and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

St. Tammany Parish Clerk of Court
December 31, 2013
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of the St. Tammany Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

December 31, 2013
New Orleans, Louisiana

Erickson, Krentel & Laforte LLP

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION (PART 1)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Management's Discussion and Analysis (MD&A) for the St. Tammany Parish Clerk of Court (the Clerk) is designed to:

- Assist the reader in focusing on significant financial issues; provide an overview of the Clerk's financial activities;
- Identify changes in the Clerk's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- Identify any significant variances from the original, amended and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
- Identify individual fund issues or concerns.

The information contained herein should be read in conjunction with the financial statements, notes thereto and other required supplemental information taken as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required supplementary information that introduces the reader to the basic financial statements and provides an overview of the Clerk's financial activities. The Clerk's basic financial statements consist of the following components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to present the financial operations of the Clerk as a whole in a format similar to private sector companies. The Statement of Net Position presents information on the Clerk's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as net position. Over time, the increases or decreases in net position (and changes in the components of net position) may serve as a useful indicator of whether the financial position of the Clerk is improving or weakening.

The Statement of Activities presents information showing how the Clerk's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods, e.g., uncollected taxes and earned, but unused vacation leave.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk uses two categories of funds to account for financial transactions - governmental funds and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (see Exhibits C, D, E and F) provide a detailed short-term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. The Clerk has only one governmental fund - the General Fund, which is used to account for the Clerks basic services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Clerk's more immediate decisions on the current use of financial resources. The governmental funds columns of the fund financial statements require and include a reconciliation following the Balance Sheet (Exhibit D) and the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit F).

The fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds financial statements can be found on page 17 of this report. The only type of fiduciary fund accounted for by the Clerk is "agency" funds. Agency funds are custodial in nature and represent assets held by the Clerk as an agent for litigants pending court action. Under applicable standards of GASB Statement No. 34, agency funds are not included in the government-wide financial statements. These activities are excluded from the Clerk's other financial statements because these assets are not available to finance operations. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are for unsettled deposits and decreased \$1,157,388 during the current year.

Notes to the Financial Statements

The notes to the financial statements, in particular, "Note 1 - Summary of Significant Accounting Policies," discusses presentation and reporting requirements prescribed by the GASB standards. When reviewing this MD&A, the reader should refer to and review the notes to the financial statements (beginning on page 18), as well as the government-wide and fund financial statements (included in Exhibit's A through G).

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

FINANCIAL HIGHLIGHTS

- At June 30, 2013, the St. Tammany Parish Clerk of Court maintained an unrestricted net position balance of \$1,666,923. Unrestricted net position represents the net balance of all types of assets accumulated by the Clerk in excess of the net amount invested in capital assets and any restricted net position. Restricted net positions are those which are constrained by creditors, grantors, contributors or by laws and regulations. As of June 30, 2013, the Clerk had \$153,471 net investment in capital assets and no restricted net position.
- Total assets at June 30, 2013, were \$4,134,603 while total liabilities amounted to \$2,314,209. In accordance with statutory requirements, the Clerk has no bonded indebtedness or long-term notes.
- The most significant continuing revenue sources for governmental activities were \$3,583,792 in revenues from document recording fees and \$5,014,132 in charges and court costs for suits and successions.
- Total expenses of the Clerk exceeded the total revenues for the fiscal year, resulting in a decrease in net position of \$244,689

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Included below are the condensed Statements of Net Position for the St. Tammany Clerk of Court.

Condensed Statements of Net Position – Governmental Activities

	<u>June 30,</u> 2013	<u>June 30,</u> 2012
Current and other assets	\$ 3,981,132	\$ 3,784,373
Capital assets, net	<u>153,471</u>	<u>93,935</u>
Total assets	<u>4,134,603</u>	<u>3,878,308</u>
Liabilities	<u>2,314,209</u>	<u>1,813,225</u>
Total liabilities	<u>2,314,209</u>	<u>1,813,225</u>
<u>Net Position:</u>		
Net investment in capital assets	153,471	93,935
Unrestricted net position	<u>1,666,923</u>	<u>1,971,148</u>
Total net position	<u>\$ 1,820,394</u>	<u>\$ 2,065,083</u>

See Exhibit A for a more detailed Statement of Net Position for the St. Tammany Parish Clerk of Court.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

Government-Wide Review of Condensed Statement of Net Position

The composition of net position and the changes in net position over time serves as a useful indicator of a government's financial position. The St. Tammany Parish Clerk of Court's assets at fiscal year-end exceeded its liabilities by \$1,820,394 (Net Position), with the Clerk reporting positive balances in all categories of net position. Of the total net position, \$1,666,923 is unrestricted net position. The balance of net position consists of \$153,471 net investment in capital assets.

The largest component of the "Current and other assets" category is investments totaling \$3,700,000, which are unrestricted and available to meet the Clerk's operational obligations. These funds increased by \$500,000 during the year ended June 30, 2013.

Capital assets, totaling \$153,471, represent the investment in computers, furniture and equipment, all of which are more fully described in a later section. This balance is \$59,536 more than last year and is primarily due to current year acquisitions of computer equipment and shelving systems.

The "Liabilities" category consists of accounts payable, unearned revenue, compensated absences, and other post-employment benefits. Total liabilities increased by \$500,984 during the current year which is a result of the other post-employment benefit liability increase.

Statement of Activities

The Statement of Activities for the St. Tammany Parish Clerk of Court is presented in Exhibit B. An explanation of the components of this statement is as follows.

There are two categories of revenues on the Statement of Activities – "Program Revenues" and "General Revenues". "Program Revenues" are derived directly from the program itself and they reduce the net cost of the function to be financed from the government's "General Revenues", which are presented below:

	June 30, 2013	June 30, 2012
Program Revenues:		
Charges for services	\$ 9,460,063	\$ 8,975,791
General Revenues:		
Other revenues	7,228	40,752
Interest earnings	27,791	33,771
Total general revenues	35,019	74,523
Total revenues	\$ 9,495,082	\$ 9,050,314

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

Statement of Activities (continued)

	June 30, 2013	June 30, 2012
Program Expenses:		
Personnel services	\$ 8,767,059	\$ 8,517,114
Operating services	691,591	617,950
Materials and supplies	263,546	188,020
Seminars and conventions	11,776	7,248
Capital outlays	5,799	8,661
	<u>9,739,771</u>	<u>9,338,993</u>
Total expenses		
Change in net position	\$ (244,689)	\$ (288,679)
Net position – ending	\$ 1,820,394	\$ 2,065,083

ANALYSIS OF FUND FINANCIAL STATEMENTS

The Clerk maintains only one “governmental fund” – the general fund. Its statements are presented as follows:

<u>Description of Financial Statement</u>	<u>Exhibit</u>
Balance Sheet	C
Statement of Revenues, Expenditures and Changes in Fund Balance	E

Governmental Funds

Under the modified accrual basis for fund financial statements, the emphasis is on accounting for current financial resources. The analysis in this section includes a discussion of components of the fund financial statements but concentrates on differences not discussed previously for the government-wide financial statements.

At fiscal year-end, the general fund reported an unassigned fund balance of \$3,596,007. Receivables totaling \$54,989, investments totaling \$3,700,000 and cash and cash equivalents totaling \$48,719 are identical to the government-wide presentation. Capital assets of \$153,471 are presented only in the government-wide presentation. The fund financial statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures and Changes in Fund Balance). Liabilities totaling \$207,701 consist of accounts payable, compensated absences-short term and unearned revenue. Since compensated absences – long-term are only recorded when paid and other post-employment benefits are not due in the current period, they are not included here.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

Governmental Funds (continued)

The fund reporting format presents in the Statement of Revenues, Expenditures and Changes in Fund Balance all revenue types followed by the expenses of the Clerk, presented on a functional basis. The major revenue and expenditure sources are similar to the government-wide presentation. The differences in total expenditures are in the reporting of capital expenditures, depreciation and prepaid expenses. As previously noted, in the fund financial statements, capital expenditures are reported on the operating statement (Statement of Revenues, Expenditures and Changes in Fund Balance); whereas the government-wide financial statements report capital assets on the Statement of Net Position with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to this MD&A and the basic financial statements, this report also presents certain required supplementary information which includes a Budgetary Comparison Schedule found on Schedule A-1. The presentation under the GASB Statement No. 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

ANALYSIS OF BUDGET VARIATIONS IN THE GENERAL FUND

Actual revenues were less than final budgeted revenues by approximately 4.33% and actual expenditures were less than budgeted expenditures by approximately 4.86%.

The variations from the original budgeted revenues and expenditures for the general fund were as follows:

- Actual revenues were less than the final budget by \$429,885 primarily due to 839 less civil suits being filed this fiscal year.
- Expenditures were less than the final budget by \$481,833 because of decreases in personnel cost and internal spending was cut because funding was not available.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets at Year-End

Capital assets had a net increase of \$59,536 for the year ended June 30, 2013, primarily due to the current year acquisitions of computer equipment and shelving systems. The notes to the financial statements, in particular Note 4, "Capital Assets," discuss detail of capital assets.

Long Term Debt

Since Clerk's of Court are not allowed to incur long-term indebtedness for bonds or notes payable, the Clerk had no long-term debt outstanding.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

ECONOMIC FACTORS

For the 6th year, the sluggish economy continued to affect the Clerk's office in that revenues continued to remain down and expenses of doing business increased. In April, 2012, we raised several fees for services, which allowed us to have extra income generated from the recording of land record documents and civil suits.

Due to the April 2012 increase in fees in the Recording Department, final numbers showed an increase in income in the Recording Department of \$359,949 over the previous fiscal year. This trend is reflective of historically low interest rates which encouraged refinancing and new home purchases. Our income from the Civil Department increased slightly (\$104,373), once again breaking the \$4 million dollar mark. Income should have been higher in Civil, had we not had a significant decrease in the number of civil suits filed this fiscal year (8213 suits filed in 2011-12 versus 7374 civil suits this fiscal year.) The trend of a high number of foreclosure suits being filed has started to slow down, (1196 foreclosure suits in 2011-12 versus 1058 foreclosures suits filed in the 2012-2013 fiscal year) which may ultimately mean that our economy is becoming healthier. The Sheriff's office required 100 less mortgage certificates during this fiscal year than needed last fiscal year.

Our investment with the online records search through our website continues to be a key factor in this year's income stream, bringing in more than \$620,138 for fiscal year 2012-13. The trend continues that more and more customers are researching records online and paying the Clerk's office to conduct business conveniently from their office, homes or laptops, not limited by our office hours.

This fiscal year the Clerk's Association maintained the employer's retirement contributions at 17.25%. In the upcoming year (2013-14) the Association Board of Trustees voted to increase employer contribution rates to 18.5%. Because the calculations used to determine the employer contributions are based on a "5 year smoothing" of the market, we will not see any relief from this rate of contribution for at least 2 more years.

In conclusion, the Clerk's office anticipates that we will be able to maintain our budget for the fiscal year 2013-14 and should remain stable as long as the real estate market continues to recover. In addition, any requirements concerning OPEB will be addressed through the Fund Balance, which will be increased by over \$475,000 this year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the St. Tammany Parish Clerk of Court's finances. Questions concerning this report or the need for additional information should be directed to Ms. Malise Prieto, Clerk of Court, St. Tammany Parish, P.O. Box 1090, Covington, Louisiana 70434.

BASIC FINANCIAL STATEMENTS

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 48,719
Investments	3,700,000
Receivables	54,989
Prepaid insurance	177,424
Capital assets, net of accumulated depreciation	<u>153,471</u>
Total assets	<u>4,134,603</u>
 <u>LIABILITIES:</u>	
Accounts payable	22,996
Unearned revenue	139,144
Compensated absences	203,329
Other post-employment benefits	<u>1,948,740</u>
Total liabilities	<u>2,314,209</u>
 <u>NET POSITION:</u>	
Net investment in capital assets	153,471
Unrestricted	<u>1,666,923</u>
Total net position	<u><u>\$ 1,820,394</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
<u>Governmental activities:</u>			
General government	\$ 9,739,771	\$ 9,460,063	\$ (279,708)
		General revenues:	
		Interest income	27,791
		Other	7,228
		Total general revenues	35,019
		Change in net position	(244,689)
		Net position - beginning	2,065,083
		Net position - ending	\$ 1,820,394

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2013

	<u>General Fund</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 48,719
Investments	3,700,000
Receivables	<u>54,989</u>
 Total assets	 <u><u>\$ 3,803,708</u></u>
 <u>LIABILITIES:</u>	
Accounts payable	\$ 22,996
Compensated absences, due within one year	45,561
Unearned revenue	<u>139,144</u>
 Total liabilities	 <u>207,701</u>
 <u>FUND BALANCE:</u>	
Unassigned	<u>3,596,007</u>
 Total fund balance	 <u>3,596,007</u>
 Total liabilities and fund balance	 <u><u>\$ 3,803,708</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Fund balance - governmental fund	\$	3,596,007
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Governmental capital assets		1,014,273
Less: accumulated depreciation		(860,802)

Prepaid expenses are not recorded as an asset on the governmental balance sheet as they represent funds that have already been expended.		177,424
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Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. All liabilities (both current and long-term) are reported in the Statement of Net Position:

Compensated absences		(157,768)
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The liability for other post-employment benefits is an actuarial calculation of future obligations related to retiree health insurance benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds.		<u>(1,948,740)</u>
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Net position of governmental activities	\$	<u><u>1,820,394</u></u>
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ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>
<u>REVENUES:</u>	
Fees, charges and commissions for services:	
Court costs, fees and charges	\$ 5,014,132
Fees for recording legal documents	3,583,792
Fees for certified copies	215,829
Interest income	27,791
Internet income	620,138
Marriage licenses	26,172
Other	<u>7,228</u>
Total revenues	<u>9,495,082</u>
<u>EXPENDITURES:</u>	
Current:	
General government:	
Administration	525,323
Recordings and filings	1,540,022
Mortgage certificates	1,230,591
Civil suits and probates	3,139,259
Criminal suits and minutes	2,241,360
Elections	373,449
Computers	291,488
Capital Outlay	<u>90,932</u>
Total expenditures	<u>9,432,424</u>
Net change in fund balance	62,658
FUND BALANCE, BEGINNING	<u>3,533,349</u>
FUND BALANCE, ENDING	<u><u>\$ 3,596,007</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balance - government fund	\$	62,658
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Amounts reported for governmental activities in the Statement of Activities are different because:

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		90,932
Depreciation expense		(31,396)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Change in prepaid insurance		66,296
Change in compensated absences		42,991

The change in the liability for other post-employment benefits is an actuarial calculation of future obligations related to retiree health insurance benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds.

		<u>(476,170)</u>
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Change in net position of governmental activities	\$	<u><u>(244,689)</u></u>
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The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	Agency Funds		Total Agency Funds
	Advance Deposit Fund	Registry of Court Fund	
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 708,650	\$ 5,460,183	\$ 6,168,833
Investments	5,400,000	-	5,400,000
Total assets	\$ 6,108,650	\$ 5,460,183	\$ 11,568,833
<u>LIABILITIES:</u>			
Unsettled deposits	\$ 6,108,650	\$ 5,460,183	\$ 11,568,833
Total liabilities	\$ 6,108,650	\$ 5,460,183	\$ 11,568,833

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Tammany Parish Clerk of Court (the Clerk) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk 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 is elected for a four-year term.

For financial reporting purposes, the Clerk includes all funds, account groups and activities that are within the oversight responsibility of the Clerk as an independently elected parish official. The Clerk is solely responsible for the operations of her office, which include the hiring or retention of employees, Clerk over budgeting and the receipt and disbursement of funds. Accordingly, the Clerk is fiscally independent and a separate reporting entity. Certain units of local government, over which the Clerk exercises no oversight responsibility, such as the Parish Council, Parish School Board, other independently elected parish 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.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Clerk.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences are recorded when paid.

Fees and charges for services, interest earnings and other revenues of the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Clerk.

The financial statements of the Clerk include the following major governmental fund:

General Fund - The general fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk 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. General operating expenditures are paid from this fund.

Additionally, two agency funds are included - The Advance Deposit Fund and The Registry of Court Fund. Agency funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842 is used to account for advance deposits in suits filed by litigants. The advances are refunded to the litigants after all costs are paid. The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds held by order of the court until judgment is rendered by the judiciary. Withdrawal of funds can be made only upon order of the court.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as they are needed.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget and Budgetary Accounting

Formal budget integration is employed as a management control device during the year for the General Fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The proposed budget for the 2013 fiscal year was made available for public inspection at the Clerk's office on June 14, 2012. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal twelve days before the public hearing. The budget hearing was held at the Clerk's office on June 26, 2012. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Under state law, the Clerk may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the Clerk may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at fair value using published market values.

Capital Assets

Capital assets, which include computers, furniture and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical costs are not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$2,500 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.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets (continued)

Capital outlays are recorded as expenditures of the General Fund, and they are recorded as assets in the government-wide financial statements to the extent the Clerk's capitalization threshold is met. The Clerk has no infrastructure assets.

All capital assets are depreciated using the straight-line method over useful lives of five to twelve years.

Compensated Absences

Employees accrue vacation leave at the rate of 10 to 20 days per year, according to years of service with the Clerk's office. A maximum of 5 days of vacation leave can be carried forward to the succeeding year with written approval of supervisor or department head. Vacation leave in excess of the carry forward amount is forfeited. Any carried over vacation leave must be taken within the first quarter of the upcoming fiscal year or forfeited. Employees accrue sick leave at a rate of 6 to 12 days per year, according to years of service with the Clerk's office. Employees are allowed to carry forward a maximum of 20 days of unused sick leave from year to year. Upon termination, or at retirement, employees are paid for all accrued and unused vacation leave. At retirement, employees are paid for all accrued and unused sick leave at the discretion of the Clerk.

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a liability in the Statement of Net Position.

Equity Classifications

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (continued)

- c. Unrestricted Net Position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. The Clerk, as the highest level of decision-making authority for her agency, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Clerk authorizes management to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use it is the Clerk's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management Review

Management has evaluated subsequent events through December 31, 2013 the date which the financial statements were available to be issued.

(2) CASH, CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2013, the Clerk had cash and cash equivalents (book balances) as follows:

	<u>Government-Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Net Position</u>	<u>Total</u>
<u>Cash and Cash Equivalents:</u>			
Petty cash	\$ 2,849	\$ -	\$ 2,849
Interest bearing deposits	<u>45,870</u>	<u>6,168,833</u>	<u>6,214,703</u>
Total	<u>\$ 48,719</u>	<u>\$ 6,168,833</u>	<u>\$ 6,217,552</u>

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(2) CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

	<u>Government-Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Net Position</u>	<u>Total</u>
<u>Investments:</u>			
Certificates of deposit	\$ 2,600,000	\$ 4,200,000	\$ 6,800,000
LAMP Account	<u>1,100,000</u>	<u>1,200,000</u>	<u>2,300,000</u>
 Total	 <u>\$ 3,700,000</u>	 <u>\$ 5,400,000</u>	 <u>\$ 9,100,000</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2013, the Clerk had \$13,989,412 in deposits (collected bank balances), which includes investments in certificates of deposit of \$6,800,000. These deposits are secured from risk by \$4,250,000 of federal deposit insurance and \$9,739,412 of pledged securities held by the custodial bank in the name of the bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the bank has failed to pay deposited funds upon demand.

In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2013, was not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(2) CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk and foreign currency risk for all public entity investments.

LAMP is a money market-like investment pool. The following facts are relevant for money market-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: Money market-like investment pools are excluded from this disclosure requirement, per paragraph 15 of GASB Statement No. 40.
- Foreign currency risk: Not applicable to money market-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(3) RECEIVABLES

The receivables of \$54,989 at June 30, 2013, consisted of the following:

Recordation		\$	2,294
Fees			52,695
Total			\$ 54,989

The Clerk considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

(4) CAPITAL ASSETS

Change in capital assets for the year ended June 30, 2013, consisted of the following:

<u>Governmental Activities</u>	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Capital assets being depreciated:				
Computers, furniture and equipment	\$ 923,341	\$ 90,932	\$ -	\$ 1,014,273
Less: accumulated depreciation	(829,406)	(31,396)	-	(860,802)
Net capital assets	\$ 93,935	\$ 59,536	\$ -	\$ 153,471

(5) COMPENSATED ABSENCES

At June 30, 2013, employees of the Clerk of Court had accumulated and vested \$203,329 of employee leave benefits. This amount is recorded as a liability on the Statement of Net Position. A total of \$45,561 of the leave benefits are due within one year.

(6) RISK MANAGEMENT

The Clerk 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, along with other Clerks of Court in the State of Louisiana, formed the Clerks of Court Self-Insurance Association Fund (CSIAF). It is a public entity risk pool currently operating as a common risk management and insurance program for 36 member Clerks of Court. The Clerks pay an annual premium to CSIAF for their general insurance coverage. The Articles of Association of the CSIAF provide that CSIAF will be self-sustaining through member premiums. The CSIAF pays claims, in excess of the Clerk's deductible of \$3,750, up to a maximum limit of \$1,000,000 for each insured event.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(6) RISK MANAGEMENT (CONTINUED)

During the year ended June 30, 2013, no claims were made against the St. Tammany Parish Clerk of Court for risks covered by the CSIAF. Accordingly, no liability for claims was recognized as of June 30, 2013. No settlements exceeded insurance coverage for each of the past three fiscal years.

(7) PENSION PLAN

Plan Description

Substantially all employees of the Clerk's office are members of the Clerks of Court Retirement and Relief Fund (the Fund), 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 Fund. 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 1/3 percent of their final-average salary for each year of credited service and not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 60 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 Fund also provides death and disability benefits. Benefits are established and amended by state statute.

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy

Members of the Fund are required by state statute to contribute 8.25% of their annual covered salary for the years ended June 30, 2013, 2012 and 2011, and the St. Tammany Parish Clerk of Court is required to contribute at an actuarially determined rate. The rate is 17.25% of annual covered payroll for the years ended June 30, 2013, 2012 and 2011. The contribution requirements of plan members and the St. Tammany 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 results of the valuation for the prior fiscal year.

Beginning July 1, 2001, the Clerk voluntarily began paying both the employee and employer required contributions.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(7) PENSION PLAN (CONTINUED)

Funding Policy (continued)

The St. Tammany Parish Clerk of Court's contributions to the Fund for the years ending June 30, 2013, 2012 and 2011, were \$1,308,046, \$1,303,445, and \$1,169,131, respectively, equal to the required contributions for each year.

(8) OTHER POST-EMPLOYMENT BENEFIT PLAN

Plan Description

In addition to the pension benefits described in Note 7, The Clerk administers a single-employer defined benefit postemployment health care plan ("the Plan"). The Plan provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries through the Clerk's group health insurance plan, which covers both active and retired members. Benefit provisions are established through Blue Cross Blue Shield of Louisiana (health and dental insurance) and United HealthCare (life insurance). The Plan does not issue a publicly available financial report.

Funding Policy

The benefits for the covered employees are provided through an insurance company whose monthly premiums are paid jointly by the employee/retiree and by the Clerk. The cost of providing these benefits for the retirees is separable from the cost of providing benefits for above employees and is recorded on a pay-as-you-go basis (cash basis). The Clerk's portion of the total premiums for all employees for the fiscal year ended June 30, 2013, aggregated \$1,356,820. For the year ended June 30, 2013, the cost of retiree benefits included in total paid premiums was \$93,911.

Annual OPEB Cost

For 2013, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45.. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2012 is \$561,616 as set forth below.

Normal cost	\$ 304,984
30-year UAL amortization amount	243,654
Interest on the above	<u>18,978</u>
Annual required contribution (ARC)	<u>\$ 567,616</u>

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(8) OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Annual OPEB Cost (continued)

The following table presents the Clerk's OPEB Costs and OPEB Obligation for the fiscal year 2013:

Annual required contribution	\$	567,616
Interest on net OPEB obligation		51,764
ARC adjustment		<u>(49,299)</u>
 OPEB cost (expense)	 \$	 <u>570,081</u>
 Beginning net OPEB obligation, July 1, 2012	 \$	 1,472,570
Change in net OPEB obligation:		
Annual OPEB cost (expense)		570,081
Contributions made (retiree cost)		<u>(93,911)</u>
 Ending net OPEB obligation, June 30, 2013	 \$	 <u>1,948,740</u>

The following table shows the Authority's annual post-employment benefits cost, percentage of the cost contributed, and the net unfunded post-employment benefits liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/ 30/ 2011	\$ 554,426	11%	\$ 996,884
06/ 30/ 2012	\$ 554,426	14%	\$ 1,472,570
06/ 30/ 2013	\$ 570,081	16%	\$ 1,948,740

Utilizing the pay-as-you-go method, the Clerk contributed 16% of the annual post-employment benefits costs during 2013.

Funded Status and Funding Progress

As of June 30, 2013, the Clerk did not have an OPEB trust. A trust was established with an effective date of July 1, 2009, but was not funded at all, has no assets, and hence has funded ratio of zero. Since the plan was not funded, the entire actuarial accrued liability of \$7,309,621 was unfunded.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(8) OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Methods and Assumptions (continued)

Schedule of Funding Progress for OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
7/1/11	\$ -	\$ 7,309,621	\$ 7,309,621	-	\$ 4,651,775	157%

(9) DEFERRED COMPENSATION PLAN

Certain employees of the Clerk participate in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(10) CONTINGENT LIABILITIES

From time to time, the Clerk is involved as a defendant in actual or threatened litigation, which is not covered by insurance. At June 30, 2013, there were no pending or threatened claims, which, in the opinion of the Clerk's legal advisors, would have a material adverse effect on the financial statements, should such claims be settled in favor of the plaintiffs.

(11) EXPENDITURES OF THE CLERK OF COURT REQUIRED TO BE PAID BY THE PARISH COUNCIL

Louisiana Revised Statute 13:784 requires the Parish Council to provide the Clerk with all necessary office furniture, equipment and record books. During the year ended June 30, 2013, as well as for several years prior thereto, items provided by the Parish Council have been limited to certain furniture and fixtures, office and storage space and utilities.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

(12) EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years, at the close of the term of office, the Clerk must pay the Parish Council the portion of the General Fund's fund balance that exceeds one-half of the general fund revenues for the Clerk's last year of office, which amount shall be limited to the total funds provided the Clerk by the Parish during said term of office. At June 30, 2013, the General Fund's balance did not exceed one-half of the general fund revenues.

(13) CLERK'S COMPENSATION

The Clerk's compensation for the year ended June 30, 2013, as established by law for salary, statutory allowance, and custodian of voting machines, was \$112,232, \$11,232, and \$2,400, respectively.

(14) CHANGE IN AGENCY FUND BALANCE

The following is a summary of change in agency fund unsettled deposits.

	Unsettled Deposits <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	Unsettled Deposits <u>June 30, 2013</u>
Advance deposit	\$ 6,004,115	\$ 7,542,378	\$ 7,437,843	\$ 6,108,650
Registry of court	<u>6,722,106</u>	<u>3,829,642</u>	<u>5,091,565</u>	<u>5,460,183</u>
Total	<u>\$ 12,726,221</u>	<u>\$ 11,372,020</u>	<u>\$ 12,529,408</u>	<u>\$ 11,568,833</u>

(15) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires 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. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. This Statement did not have a material effect on the Clerk's financial statements upon implementation.

REQUIRED SUPPLEMENTARY INFORMATION (PART 2)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual Amounts Budgetary Basis	Variance Favorable (Unfavorable)
<u>REVENUES:</u>			
Fees, charges and commissions for services:			
Court costs, fees and charges	\$ 5,472,623	\$ 5,014,132	\$ (458,491)
Fees for recording legal documents	3,501,923	3,583,792	81,869
Fees for certified copies	251,304	215,829	(35,475)
Marriage licenses	26,385	26,172	(213)
Interest	33,869	27,791	(6,078)
Internet	614,141	620,138	5,997
Other	24,722	7,228	(17,494)
	<u>9,924,967</u>	<u>9,495,082</u>	<u>(429,885)</u>
<u>EXPENDITURES:</u>			
Current:			
General government:			
Administration	222,058	525,323	(303,265)
Recordings and filings	1,900,047	1,540,022	360,025
Mortgage certificates	1,168,161	1,230,591	(62,430)
Civil suits and probates	3,519,934	3,139,259	380,675
Criminal suits and minutes	2,584,892	2,241,360	343,532
Elections	193,794	373,449	(179,655)
Computers	279,621	291,488	(11,867)
Capital Outlay	45,750	90,932	(45,182)
	<u>9,914,257</u>	<u>9,432,424</u>	<u>481,833</u>
Net change in fund balance	<u>\$ 10,710</u>	<u>62,658</u>	<u>\$ 51,948</u>
FUND BALANCE, BEGINNING		<u>3,533,349</u>	
FUND BALANCE, ENDING		<u>\$ 3,596,007</u>	

(See Independent Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
STATE OF LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
7/1/2010	\$ -	\$ 6,843,664	\$ 6,843,664	\$ -	\$ 4,810,474	142%
7/1/2011	\$ -	\$ 7,338,419	\$ 7,338,419	\$ -	\$ 4,951,434	148%
7/1/2012	\$ -	\$ 7,309,621	\$ 7,309,621	\$ -	\$ 4,651,775	157%

(See Independent Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF REVENUES
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

COURT COSTS, FEES AND CHARGES:

Fees - advance deposit	\$ 4,191,794
Criminal costs	523,500
Non-support	221,849
Court attendance	36,640
Birth certificates	25,095
DA bond forfeiture	203
SE legal service costs	2,392
Other	<u>12,659</u>
Total court costs, fees and charges	<u>5,014,132</u>

RECORDING LEGAL DOCUMENTS:

Recording	3,197,945
Cancellations	216,974
Certificates	52,060
UCC fees	97,335
Parish Council costs	<u>19,478</u>
Total recording legal documents	<u>3,583,792</u>

CERTIFIED COPIES215,829**OTHER REVENUES:**

Other	6,953
Computer time	<u>275</u>

Total other revenue	<u>7,228</u>
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INTERNET INCOME620,138**MARRIAGE LICENSES**26,172**INTEREST EARNINGS**27,791

Total revenues	<u>\$ 9,495,082</u>
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(See Independent Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF EXPENDITURES
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

ADMINISTRATION:

Personnel services	\$ 443,184
Operating services	65,525
Materials and supplies	13,273
Seminars and conventions	3,341
	<hr/>
Total administration	525,323

RECORDING AND FILINGS:

Personnel services	1,387,021
Operating services	98,455
Materials and supplies	51,311
Seminars and conventions	3,235
Capital outlay	9,238
	<hr/>
Total recording and filings	1,549,260

LAND RECORDS:

Personnel services	1,113,935
Operating services	92,641
Materials and supplies	23,278
Seminars and conventions	737
	<hr/>
Total land records	1,230,591

CIVIL:

Personnel services	2,883,866
Operating services	180,969
Materials and supplies	72,392
Seminars and conventions	2,032
	<hr/>
Total civil	3,139,259

(See Independent Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF EXPENDITURES (CONTINUED)
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

CRIMINAL:

Personnel services	\$ 2,029,335
Operating services	122,232
Materials and supplies	89,154
Seminars and conventions	<u>639</u>
Total criminal	<u>2,241,360</u>

ELECTIONS:

Personnel services	349,804
Operating services	27,770
Materials and supplies, net of refunds	(3,624)
Seminars and conventions, net of refunds	(501)
Capital outlay	<u>66,830</u>
Total elections	<u>440,279</u>

COMPUTERS:

Personnel services	225,395
Operating services	62,542
Materials and supplies	1,964
Seminars and conventions	1,587
Capital outlay	<u>14,864</u>
Total computers	<u>306,352</u>
Total expenditures	<u>\$ 9,432,424</u>

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 708,650	\$ 5,460,183	\$ 6,168,833
Investments	5,400,000	-	5,400,000
	<u>\$ 6,108,650</u>	<u>\$ 5,460,183</u>	<u>\$ 11,568,833</u>
<u>LIABILITIES:</u>			
Unsettled deposits	\$ 6,108,650	\$ 5,460,183	\$ 11,568,833
	<u>\$ 6,108,650</u>	<u>\$ 5,460,183</u>	<u>\$ 11,568,833</u>

(See Independent Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF CHANGES IN UNSETTLED DEPOSITS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ADDITIONS:</u>			
Deposits:			
Suits and successions	\$ 7,542,378	\$ -	\$ 7,542,378
Judgements	-	3,813,212	3,813,212
Interest earned on investments	-	16,430	16,430
	<u>7,542,378</u>	<u>3,829,642</u>	<u>11,372,020</u>
<u>REDUCTIONS:</u>			
Clerk costs	4,411,081	167	4,411,248
Settlements to litigants	1,707,729	5,091,398	6,799,127
Other	460,047	-	460,047
Sheriff's fees	464,973	-	464,973
Parish Council costs	200,980	-	200,980
22nd Judicial District Court fund	111,813	-	111,813
Secretary of State	25,450	-	25,450
Stenographer fees	43,765	-	43,765
Court of Appeals	12,005	-	12,005
	<u>7,437,843</u>	<u>5,091,565</u>	<u>12,529,408</u>
Change in unsettled deposits	104,535	(1,261,923)	(1,157,388)
Unsettled deposits, beginning	<u>6,004,115</u>	<u>6,722,106</u>	<u>12,726,221</u>
Unsettled deposits, ending	<u>\$ 6,108,650</u>	<u>\$ 5,460,183</u>	<u>\$ 11,568,833</u>

(See Independent Auditors' Report)

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

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*PROFESSIONAL CORPORATION
†LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - DECEASED
J.V. LECLERE KRENTEL - DECEASED

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

To the Honorable Malise Prieto
St. Tammany Parish Clerk of Court

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and each fiduciary fund type of the St. Tammany Parish Clerk of Court, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated December 31, 2013.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Malise Prieto
St. Tammany Parish Clerk of Court
December 31, 2013

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 31, 2013
New Orleans, Louisiana



Certified Public Accountants

ST. TAMMANY PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the St. Tammany Parish Clerk of Court.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the St. Tammany Parish Clerk of Court were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. A management letter was not issued for the year ended June 30, 2013.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2013.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

NOT APPLICABLE

ST. TAMMANY PARISH CLERK OF COURT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

NOT APPLICABLE

SECTION II – MANAGEMENT LETTER

NOT APPLICABLE