

**THIRD JUDICIAL DISTRICT
JUDICIAL CLERK FUND
PARISHES OF
LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENT
DECEMBER 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 18 2013

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2012**

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 6
BASIC FINANCIAL STATEMENTS	
Government Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet - Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	13
Notes to the Financial Statements	14 - 19
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	21
Budgetary Comparison Schedule - Special Revenue Funds	22
OTHER REPORTS AND SCHEDULES	
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 <u>Government Auditing Standards</u>	24 - 25
Schedule of Findings and Questioned Costs	26
Schedule of Prior Year Findings	27
Management's Corrective Action Plan	28

DON M. MCGEHEE
(A Professional Accounting Corporation)
P O Box 1344
205 E Reynolds Dr , Suite A
Ruston, Louisiana 71273-1344

INDEPENDENT AUDITOR'S REPORT

Third Judicial District Judicial Clerk Fund
100 W Texas Ave , 3rd Floor
Ruston, Louisiana 71270

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of the Third Judicial District Judicial Clerk Fund, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Judicial Clerk Fund's basic financial statements, as listed in the table of contents

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Third Judicial District Judicial Clerk Fund as of December 31, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

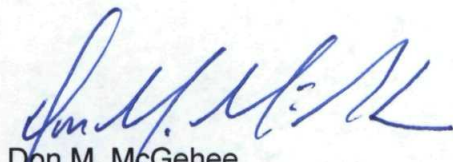
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 6 and pages 21 through 22 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated June 29, 2013, on my consideration of the Judicial Clerk Fund's internal control over financial reporting and my 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 my 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 in considering the Judicial Clerk Fund's internal control over financial reporting and compliance.



Don M. McGehee
Certified Public Accountant
June 29, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD JUDICIAL DISTRICT COURT

LINCOLN AND UNION PARISHES
STATE OF LOUISIANA

JUDGES' OFFICE
P O Box 388
Ruston, LA 71273-0388

Telephone 318-255-4691
Facsimile 318-255-3154

JUDGES' OFFICE
Courthouse, 2nd Floor
Farmerville, LA 71241

Telephone 318-368-9734
Facsimile 318-368-2487

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

Our discussion and analysis of the Judicial Clerk Fund's financial performance provides an overview of the financial activities for the year ended December 31, 2012. It is based upon currently known facts, decisions, and conditions. Please read it in conjunction with the financial statements which begin on page 8.

Basic Financial Statements

The basic financial statements include government-wide and fund financial statements. The government-wide statements consist of a Statement of Net Position and a Statement of Activities and provide information about the financial activities of our Office as a whole. The government-wide statements present a long-term view of our finances. Fund financial statements consist of the respective fund's balance sheet and the fund's statement of revenues, expenditures and changes in fund balance, if applicable. The fund statements tell how our services were financed in the short-term and what remains for future spending. The primary difference between the fund and government-wide statement presentation methods is that expenditures for capital assets are expensed in the fund financial statements but capitalized and depreciated in the government-wide statements.

Statement of Net Position and Statement of Activities

One of the most important questions asked about our finances is, "Is the Judicial Clerk Fund as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about our Office as a whole and about our activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is a method similar to accounting used by most private-sector companies. All revenues and expenses of the current year are reported under this method regardless of when cash is received or disbursed.

These two statements report the Judicial Clerk Fund's net position and the changes in the net position. You can think of net position - the difference between assets and liabilities - as one way to measure the financial health, or financial position, of the Judicial Clerk Fund. Increases/(decreases) in our net position are one indicator of whether our financial health is improving/(deteriorating).

We report the financial activity of all services provided by us in the Statement of Net Position and Statement of Activities. Expenses primarily include salaries and related benefits, office expenses, and outside services. Fees received from the defendants, grants and other assistance, and hearing officer fees received on child support payments through the State of Louisiana finance most of our activities.

Government-Wide Financial Analysis

As noted above, net position may serve as a useful indicator of an entity's financial position. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the governmental activities of the Judicial Clerk Fund.

Table 1
Total Net Position

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Current Assets	\$ 629,675	\$ 693,743	\$ (64,068)	(9)%
Capital Assets	<u>18,254</u>	<u>22,994</u>	<u>(4,740)</u>	(21)%
Total	<u>647,929</u>	<u>716,737</u>	<u>(68,808)</u>	(10)%
Current Liabilities	<u>40,977</u>	<u>47,486</u>	<u>(6,509)</u>	(14)%
Net Position				
Investment in Capital Assets	18,254	22,994	(4,740)	(21)%
Unrestricted	<u>588,698</u>	<u>646,257</u>	<u>(57,559)</u>	(9)%
Total Net Position	<u>\$ 606,952</u>	<u>\$ 669,251</u>	<u>\$ (62,299)</u>	(9)%

At the close of the most recent year, assets exceeded liabilities by \$606,952, a 9% decrease from the prior year. Unrestricted net position, which is the part of the amount of net position that can be used to finance the day-to-day operations of the District Clerk's Fund without constraints, decreased \$57,559. The most significant changes from the prior year were an increase in due from other governmental units of \$69,432 and a decrease in cash of \$133,544.

Investment in capital assets (e.g., land, buildings, machinery and equipment, etc.) of \$18,254 is used to provide services to citizens; consequently, these assets are not available for future spending.

Table 2
Changes in Net Position

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Revenues				
Program Revenues				
Fees	\$ 219,266	\$ 231,918	\$ (12,652)	(5)%
Intergovernmental	348,169	317,378	30,791	10 %
Drug Court Revenues	58,302	39,818	18,484	46 %
Grants and Other Assistance	279,396	303,029	(23,633)	(8)%
General Revenues				
Interest Income	1,356	2,143	(787)	(37)%
Miscellaneous Income	<u>0</u>	<u>455</u>	<u>(455)</u>	(100)%
Total Revenues	<u>906,489</u>	<u>894,741</u>	<u>11,748</u>	1 %
Program Expenses				
General Government-Judicial	<u>968,788</u>	<u>949,313</u>	<u>19,475</u>	2 %
Total Expenses	<u>968,788</u>	<u>949,313</u>	<u>19,475</u>	2 %
Decrease in Net Position	<u>\$ (62,299)</u>	<u>\$ (54,572)</u>	<u>\$ (7,727)</u>	14 %

Total revenues increased by 1% (\$11,748) from the prior year. Expenses increased 2% (\$19,475) from the prior year. The increase was primarily in the area of salaries with the addition of an employee for the probation department. The net effect was a \$7,727 decrease in the total change in net position for the year ended December 31, 2012 compared to the prior year decrease.

Fund Financial Statements

The fund financial statements provide more detailed information about the individual funds, rather than the District Clerk's Fund as a whole. Funds are accounting devices used to keep track of specific sources of funding and spending for a particular purpose. The Judicial Clerk Fund maintains two governmental funds, the General Fund and a Special Revenue Fund-Children's Assistance. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for each of these funds.

As of our year end on December 31, 2012, our governmental fund (General Fund) reported a fund balance of \$343,832, which is 20% (\$86,542) less than last year's fund balance. During 2012, there was a 6% (\$46,914) decrease in revenues. Drug court revenue had a 46% (\$18,484) increase. Grant revenue decreased 19% (\$66,524), primarily due to certain drug court grants expiring that could not be renewed. Expenditures increased about 2% (\$12,918) over the prior year as described above. Capital outlay expenditures were \$2,178 which was a 76% (\$7,049) decrease from the prior year. Although capital outlay expenditures in the fund financials reduced unrestricted fund balance, it created new assets for the Judicial Clerk Fund, as reported in the Statement of Net Position.

The fund balance in our special revenue fund as of December 31, 2012 was \$214,816, 6% (\$11,748) more than the prior year fund balance. During 2012, there was a 4% (\$7,769) increase in revenues, primarily due to an increase in children's assistance payments received from the state. Expenditures increased less than 1% (\$975) over the prior year. Capital outlay expenditures increased 70% (\$602) from the prior year.

General Fund Budgetary Highlights

We amend our budget when we determine there are unexpected differences between actual and anticipated revenues and/or expenditures. Our final amended budget was adopted just prior to year end. The differences between the original and final amended budget was a 9% (\$65,000) decrease in revenues, and no change in expenditures. The change in budgeted revenues was a \$65,000 decrease in amounts received from the Union Parish Criminal Court Fund, representing a 57% change, to more closely match anticipated revenues. There were no other significant budget amendments.

Final budgeted amounts were 2% (\$15,122) less than actual revenues, and 5% (\$36,756) less than actual expenditures. We received \$23,302 (67%) more in drug court income than was budgeted. Fees were 8% (19,234) less than budgeted. Intergovernmental revenues were \$23,679 (25%) more than the amount budgeted. Salaries were \$33,133 (19%) more than the amount budgeted. Drug court expenses were \$31,081 (12%) less than was budgeted.

Capital Assets

In 2012, we purchased computer equipment. For the upcoming year, we plan to purchase some additional computer equipment and some office furniture, but there are no plans to issue debt to finance these purchases or of any other future project.

Currently Known Facts, Decisions, or Conditions

We are not aware of any facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations after the reporting date.

Contact Information for the Judicial Clerk Fund

This financial report is designed to provide citizens and taxpayers with a general overview of the finances of the Judicial Clerk Fund and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Judge Jay B. McCallum at 100 W. Texas Avenue, 3rd Floor, Ruston, LA 71270.

GOVERNMENT WIDE FINANCIAL STATEMENTS

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2012**

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 315,367
Certificates of Deposit	146,022
Due from Other Governmental Units	161,667
Due from Others	6,465
Interest Receivable	154
Capital assets, net of depreciation	<u>18,254</u>
TOTAL ASSETS	<u>647,929</u>
LIABILITIES	
Accounts Payable	22,084
Accrued Liabilities	<u>18,893</u>
TOTAL LIABILITIES	<u>40,977</u>
NET POSITION	
Invested in Capital Assets	18,254
Unrestricted	<u>588,698</u>
TOTAL NET POSITION	<u><u>\$ 606,952</u></u>

See accompanying notes to financial statements

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
GOVERNMENTAL ACTIVITIES:					
General Government-Judicial	\$ <u>968,788</u>	\$ <u>415,808</u>	\$ <u>489,325</u>	\$ <u>0</u>	\$ <u>(63,655)</u>
TOTAL GOVERNMENTAL ACTIVITIES	\$ <u>968,788</u>	\$ <u>415,808</u>	\$ <u>489,325</u>	\$ <u>0</u>	<u>(63,655)</u>
GENERAL REVENUES:					
Interest Earnings					<u>1,356</u>
TOTAL GENERAL REVENUES					<u>1,356</u>
CHANGE IN NET POSITION					(62,299)
NET POSITION - BEGINNING					<u>669,251</u>
NET POSITION - ENDING					\$ <u>606,952</u>

See accompanying notes to financial statements

FUND FINANCIAL STATEMENTS

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	<u>General Fund</u>	<u>Children's Assistance Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 114,628	\$200,739	\$ 315,367
Certificates of Deposit	146,022	0	146,022
Due from Other Governments	117,018	14,599	131,617
Due from Others	3,905	2,560	6,465
Interest Receivable	154	0	154
Due from Other Funds	0	719	719
TOTAL ASSETS	<u>\$ 381,727</u>	<u>\$218,617</u>	<u>\$ 600,344</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 19,671	\$ 2,413	\$ 22,084
Accrued Liabilities	17,505	1,388	18,893
Due to Other Funds	719	0	719
TOTAL LIABILITIES	<u>37,895</u>	<u>3,801</u>	<u>41,696</u>
FUND BALANCES			
Nonspendable -			
Restricted for -			
Children's Assistance	0	214,816	214,816
Unassigned	343,832	0	343,832
TOTAL FUND BALANCES	<u>343,832</u>	<u>214,816</u>	<u>558,648</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 381,727</u>	<u>\$218,617</u>	

Amounts Reported for Government Activities in the
Statement of Net Position are different from those
reported above because

Amounts receivable recognized in the Statement of Net Position
not expected to be collected and available to timely pay current
period expenditures are not recognized as financial resources
and are not recorded as assets in the Governmental Fund
Balance Sheet

30,050

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the Governmental
Fund statements

18,254

NET POSITION OF GOVERNMENT ACTIVITIES

\$ 606,952

See accompanying notes to financial statements

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	<u>General</u>	<u>Children's Assistance</u>	<u>Total Governmental Funds</u>
REVENUES			
Fees Collected by			
Lincoln Parish Sheriff	\$ 116,922	\$ 0	\$ 116,922
Union Parish Sheriff	41,180	0	41,180
Lincoln Parish Clerk of Court	13,286	0	13,286
Union Parish Clerk of Court	9,563	0	9,563
Union Parish Probation Fees	38,315	0	38,315
Intergovernmental			
Lincoln Parish Criminal Court	50,323	0	50,323
Union Parish Criminal Court	46,517	0	46,517
Louisiana Workforce Commission	22,439	0	22,439
State of Louisiana-Children's Assistance	0	180,219	180,219
Drug Court Revenue	58,302	0	58,302
Grant Revenue	281,123	0	281,123
Interest Income	834	522	1,356
On-Behalf Revenue	29,710	0	29,710
TOTAL REVENUES	<u>708,514</u>	<u>180,741</u>	<u>889,255</u>
EXPENDITURES			
Judicial	792,877	167,529	960,406
Capital Outlay	2,179	1,464	3,643
TOTAL EXPENDITURES	<u>795,056</u>	<u>168,993</u>	<u>964,049</u>
NET CHANGES IN FUND BALANCES	(86,542)	11,748	(74,794)
FUND BALANCES - BEGINNING	<u>430,374</u>	<u>203,068</u>	<u>633,442</u>
FUND BALANCES - ENDING	<u>\$ 343,832</u>	<u>\$ 214,816</u>	<u>\$ 558,648</u>

See accompanying notes to financial statements

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ (74,794)

Amounts reported for governmental activities in the Statement of Activities are different from those reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balance on the previous page because

Net revenues of \$30,050 recognized in the Statement of Activities that were not available to fund current period expenditures and are therefore not recognized as revenue in the Governmental Fund financial statements Revenues of \$12,815 that were recognized in the Statement of Activities in the prior year but not in the fund financial statements were recognized in the current period fund financial statements

17,235

Governmental Fund statements report capital outlays as expenditures However, the Statement of Activities reflects capital outlays as an increase in capital assets and recognizes an economic cost of the asset as depreciation expense over the estimated useful life of the asset Depreciation expense in the statement of activities of \$8,383 was more than the \$3,643 of capital outlay expenditures in the governmental funds by \$4,740

(4,740)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (62,299)

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND PARISHES OF LINCOLN AND UNION, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

The Third Judicial District Judicial Clerk Fund was established by legislative act. The act provides for the collection of fees in the form of court costs and fines, and provides for such secretarial, clerical, research, administrative or other personnel as are deemed necessary to expedite the business and functions of the court. The Judicial Clerk Fund may also be used to pay for establishing and maintaining a law library, equipment, supplies, and any other costs or expenses related to the proper administration of the court, except for the payment of judge's salaries. The Judicial Clerk Fund is composed of the parishes of Lincoln and Union located in north central Louisiana.

The financial statements of the Judicial Clerk Fund are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable), that do not conflict or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Judicial Clerk Fund are discussed below.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

For financial reporting purposes, in conformity with GASB Statement No. 14, the Judicial Clerk Fund of the Third Judicial District is a component unit of the Lincoln Parish Police Jury. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

BASIC FINANCIAL STATEMENTS, MEASUREMENT FOCUS, AND BASIS OF ACCOUNTING

The Judicial Clerk Fund's basic financial statements include both government-wide and fund financial statements.

Government-Wide Financial Statements

The government-wide Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. On the Statement of Net Position, the net position is reported in three parts as described below:

Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any outstanding debt used to finance those assets.

Restricted - consists of the amount of net position restricted by the Judicial Clerk Fund's creditors, by state enabling legislation, by grantors, and by other contributors. In situations where it is permissible to apply restricted resources, typically available restricted resources are depleted before consuming unrestricted resources.

Unrestricted - all other net position amounts are reported in this category.

The Statement of Activities reports both the gross and net cost of the judicial function. The function is supported by general government revenues. The Statement of Activities reduces gross expense (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants. The net costs are normally covered by general revenue. This government-wide focus is on the sustainability of the Judicial Clerk Fund as an entity and the change in its net position resulting from the current year's activities.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund financial statements of the Judicial Clerk Fund reports the financial transactions in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The focus of the government funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Judicial Clerk's Fund reports these governmental funds.

Governmental Funds

General Fund

The General Fund is the general operating fund of the Judicial Clerk Fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The Judicial Clerk Fund uses the following special revenue funds:

Children's Assistance - To account for a 5 percent fee assessed in non-support cases which go through the state's Child Support Enforcement program. These fees are used to pay the salary of the hearing officer, appointed by the judges of the Third Judicial District to hear support and support related matters, and other expenditures incurred with the implementation of this procedure.

All government funds are accounted for using a current financial resources measurement focus and 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 that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. An availability period of 60 days was used. Revenues accrued include fines (collected by another governmental unit and remitted to the Judicial Clerk Fund), intergovernmental revenues, fees collected by the court, and reimbursements for expenditures from the state. Revenues that are not considered susceptible to accrual include certain charges for fees. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change. There were no such designations anytime during the year.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND BALANCE

Beginning on January 1, 2011, the Judicial Clerk's Fund implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - amounts that are not in spendable form (such as prepaids) or are required to be maintained intact

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

Committed Fund Balance - amounts constrained to specific purposes by the 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

Assigned Fund Balance - amounts the 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

Unassigned Fund Balance - amounts that are available for any purpose, positive amounts are reported only in the general fund

The Judicial Clerk Fund administrator establishes (and modifies or rescinds) fund balance commitments by passage of an order by the Judges. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Judges through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGETS AND BUDGETARY ACCOUNTING

The Judicial Clerk Fund prepares an operating budget on its General Fund and Special Revenue Fund for each year, including the year ended December 31, 2012. Budgetary amounts are prepared based on prior year actual operating revenues and expenditures. During November, the clerk submits to the district judges a proposed operating budget for the year commencing in the following January. The operating budget includes proposed expenditures and the means of financing them. During December, the budget is published in the official journal, made available for public inspection, and legally enacted through passage of an order. The district judges are authorized to transfer budgeted amounts between departments within any fund and any revisions that alter the total expenditures of any fund must be approved by the judges. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budget is monitored and amended when anticipated amounts exceed budget amounts by more than 5%. State law requires budgets to be amended when anticipated amounts exceed budget amounts by more than 5%. Then General Fund and Special Revenue Fund were legally amended prior to year end by the district judges.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND PARISHES OF LINCOLN AND UNION, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CERTIFICATES OF DEPOSIT

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits with original maturities of three months or less from the date of acquisition. Under state law, the Judicial Clerk Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of any state of the United States, or under the laws of the United States. State law and the Judicial Clerk Fund's investment policy allows investment in collateralized certificates of deposit, which are reported at cost.

INTERFUND ACTIVITY

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. All transfers between individual governmental funds are eliminated on the Statement of Activities.

PREPAID INSURANCE

Payments made to insurance companies for insurance coverage that will benefit periods beyond December 31, 2012, are reported as prepaid items in the asset section of the Government Wide Statement of Net Position and the Fund Financial Statements Balance Sheet.

CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available and depreciated over their estimated useful lives. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. A threshold level of \$500 or more is used for capitalizing assets. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture and Fixtures	10 - 15 years
Equipment	5 - 15 years

VACATION AND SICK LEAVE

The Judicial Clerk Fund has adopted a vacation and sick leave plan which allows a maximum of 12 days vacation and 12 days sick leave per year. Employees are not allowed to carry over the unused vacation or sick leave from year to year. Upon termination, accumulated vacation and/or sick leave lapses and no payments are made for the unused accumulations. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year end.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

At December 31, 2012, the Judicial Clerk Fund had cash and certificates of deposit as follows:

	Cash	Certificates of Deposit
Demand Deposits	\$ 315,367	\$ 0
Time Deposits	<u>0</u>	<u>146,022</u>
Total	<u>\$ 315,367</u>	<u>\$ 146,022</u>

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT (CONTINUED)

Cash consists of demand deposits. Deposits are carried at cost which approximates market value. 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 or exceed the amount on deposit with the fiscal agent. Pledged 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 December 31, 2012, the Judicial Clerk Fund has \$591,889 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and \$15,981 of pledged securities held by the custodial bank in the name of the fiscal agent. Even though the securities are considered uncollateralized under the provisions of GASB Statement 3, LSA-R S 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 Judicial Clerk Fund that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

	General Fund	Special Revenue Fund
Fees from -		
Lincoln Parish Sheriff's Office	\$ 8,008	\$ 0
Union Parish Sheriff's Office	3,185	0
Lincoln Parish Clerk of Court	832	0
Union Parish Clerk of Court	705	0
State of Louisiana - Child Support Fees	0	14,599
Lincoln Parish Criminal Court Fund	14,938	0
Union Parish Criminal Court Fund	7,712	0
State of Louisiana-Louisiana Workforce Commission	17,897	0
State of Louisiana-Supreme Court	<u>63,741</u>	<u>0</u>
TOTAL	<u>\$ 117,018</u>	<u>\$ 14,599</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2012, are as follows:

	Balance 01/01/12	Additions	Deletions	Balance 12/31/12
<u>Capital Assets at Cost</u>				
Furniture and Fixtures	\$ 11,518	\$ 0	\$ 0	\$ 11,518
Equipment	<u>97,970</u>	<u>3,643</u>	<u>0</u>	<u>101,613</u>
TOTALS	<u>109,488</u>	<u>3,643</u>	<u>0</u>	<u>113,131</u>
<u>Less</u>				
Accumulated Depreciation	<u>86,494</u>	<u>8,383</u>	<u>0</u>	<u>94,877</u>
Net Capital Assets	<u>\$ 22,994</u>	<u>\$ (4,740)</u>	<u>\$ 0</u>	<u>\$ 18,254</u>

Depreciation expense of \$8,383 was charged to the general government judicial function in the Statement of Activities, of which \$6,190 was related to the general fund and \$2,193 was related to the children's assistance fund.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 5 - PENSION PLANS

The Judicial Clerk Fund contributes to the Louisiana State Employees' Retirement System (LASERS) and the Parochial Employees Retirement System of Louisiana (PERS). All employees are members of PERS if they are permanent employees working at least 28 hours a week and are not a member of LASERS.

The LASERS plan is a cost-sharing, multiple-employer, defined benefit pension plan, which is a statewide public retirement system for the benefit of state employees administered and controlled by a board of trustees. The retirement system provides retirement, disability, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The retirement system issues a publicly available financial report. That report may be obtained by writing to Louisiana State Employees' Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling 1-800-256-3000.

Plan members are required to contribute 7.5% of their covered salary, and the Judicial Clerk Fund is required to contribute an actuarially determined rate. The rate for the plan years ended June 30, 2010 through June 30, 2013 was 18.6%, 22%, 25.6%, and 29.1%, respectively, of covered payroll. The contribution requirements of employers are established annually by the Board of Trustees based upon actuarially determined rates. The Judicial Clerk Fund made contributions for the years ending December 31, 2010, 2011, and 2012, of \$44,187, \$54,984, and \$53,851, respectively, which was the required contribution for each year from all funds.

The PERS plan is a cost-sharing, multiple-employer, defined benefit pension plan, which is administered and controlled by a board of trustees. The PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Parochial Employees Retirement System of Louisiana, P O Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

The PERS has a Plan A and a Plan B, the Judicial Clerk Fund employees participate in Plan A. Plan A members are required to contribute 9.5% of their covered salary, and the Judicial Clerk Fund is required to contribute an actuarially determined rate. The rates for 2010, 2011, and 2012 were 15.75%, 15.75%, and 15.75%, respectively, of annual covered payroll. The contribution requirements of plan members and the Judicial Clerk Fund are established and may be amended by the Louisiana Legislature. The Judicial Clerk Fund contributions to PERS for the years ended December 31, 2010, 2011, and 2012 were \$18,132, \$21,516, and \$22,355, respectively, equal to the required contributions for each year.

NOTE 6 - ON-BEHALF PAYMENTS

Employees of the Judicial Clerk Fund received salaries and fringe benefits from the Lincoln Parish Police Jury. The following is a summary of these on-behalf payments:

General Fund

Salaries	\$ 25,350
Fringe Benefits	<u>4,360</u>
Total On-Behalf Payments	<u>\$ 29,710</u>

Fringe benefits paid by the Lincoln Parish Police Jury include pension plan contributions to the Parochial Employees Retirement System.

REQUIRED SUPPLEMENTARY INFORMATION

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Fees	\$ 238,500	\$ 238,500	\$ 219,266	\$ (19,234)
Drug Court Income	35,000	35,000	58,302	23,302
Grants and Other Assistance	289,000	289,000	281,123	(7,877)
Interest Income	2,292	2,292	834	(1,458)
Intergovernmental	160,600	95,600	119,279	23,679
On-Behalf Revenue	<u>33,000</u>	<u>33,000</u>	<u>29,710</u>	<u>(3,290)</u>
TOTAL REVENUES	<u>758,392</u>	<u>693,392</u>	<u>708,514</u>	<u>15,122</u>
EXPENDITURES				
Capital Outlay	16,000	16,000	2,179	13,821
Computer Expense	14,500	14,500	26,403	(11,903)
Contract Services	12,500	12,500	18,014	(5,514)
Dues	1,750	1,750	4,192	(2,442)
Drug Court Expenses	260,000	260,000	228,919	31,081
Employee Benefits	115,500	115,500	127,886	(12,386)
FINS Expenses	30,000	30,000	26,950	3,050
Insurance	750	750	4,812	(4,062)
Library	3,500	3,500	2,327	1,173
Licenses and Permits	250	250	0	250
Office Expenses	22,450	22,450	22,143	307
Other	0	0	396	(396)
Payroll Taxes	7,000	7,000	6,551	449
Probation Expenses	23,000	23,000	35,845	(12,845)
Professional Fees	14,000	14,000	23,333	(9,333)
Rent	7,500	7,500	6,890	610
Repairs and Maintenance	6,500	6,500	6,972	(472)
Salaries	178,000	178,000	211,133	(33,133)
Telephone	19,000	19,000	20,136	(1,136)
Travel	24,100	24,100	19,019	5,081
Workers' Compensation	<u>2,000</u>	<u>2,000</u>	<u>956</u>	<u>1,044</u>
TOTAL EXPENDITURES	<u>758,300</u>	<u>758,300</u>	<u>795,056</u>	<u>(36,756)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	92	(64,908)	(86,542)	(21,634)
FUND BALANCE - BEGINNING	<u>424,968</u>	<u>424,968</u>	<u>430,374</u>	<u>5,406</u>
FUND BALANCE - ENDING	<u>\$ 425,060</u>	<u>\$ 360,060</u>	<u>\$ 343,832</u>	<u>\$ (16,228)</u>

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA

BUDGETARY COMPARISON SCHEDULE-SPECIAL REVENUE FUNDS
DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental	140,000	140,000	180,219	40,219
Interest Income	<u>900</u>	<u>900</u>	<u>522</u>	<u>(378)</u>
TOTAL REVENUES	<u>140,900</u>	<u>140,900</u>	<u>180,741</u>	<u>39,841</u>
EXPENDITURES				
Capital Outlay	3,075	3,075	1,464	1,611
Contract Services	11,500	11,500	11,393	107
Court Reporter Fees	1,750	1,750	1,703	47
Dues	719	719	508	211
Employee Benefits	0	11,698	9,615	2,083
Insurance	2,600	2,600	2,232	368
Office Expense	3,996	4,496	5,029	(533)
Other	0	0	235	(235)
Payroll Taxes	0	1,005	1,285	(280)
Professional Fees	7,600	7,600	8,738	(1,138)
Repairs and Maintenance	96	96	1,696	(1,600)
Rent	13,500	13,500	12,000	1,500
Salaries	128,500	136,991	111,354	25,637
Supplies	0	0	420	(420)
Training and Seminars	916	916	0	916
Travel	<u>2,000</u>	<u>2,025</u>	<u>1,321</u>	<u>704</u>
TOTAL EXPENDITURES	<u>176,252</u>	<u>197,971</u>	<u>168,993</u>	<u>28,978</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER				
(UNDER) EXPENDITURES	(35,352)	(57,071)	11,748	68,819
FUND BALANCE - BEGINNING	<u>162,763</u>	<u>162,763</u>	<u>203,068</u>	<u>40,305</u>
FUND BALANCE - ENDING	<u>\$ 127,411</u>	<u>\$ 105,692</u>	<u>\$ 214,816</u>	<u>\$ 109,124</u>

OTHER REPORTS AND SCHEDULES

DON M. MCGEHEE
(A Professional Accounting Corporation)

P O Box 1344
205 E Reynolds Dr , Suite A
Ruston, Louisiana 71273-1344

**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**

Third Judicial District Judicial Clerk Fund
100 W Texas Ave , 3rd Floor
Ruston, Louisiana 71270

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Third Judicial District Judicial Clerk Fund, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Judicial Clerk Fund's basic financial statements and have issued my report thereon dated June 29, 2013

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, I identified a deficiency in internal control that I consider to be material weaknesses.

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.

I did identify a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as #2012-1, that I consider to be a material weakness, as described above.

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. I consider none of the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Judicial Clerk Fund's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

The Judicial Clerk Fund's response to the finding identified in my audit is described in the accompanying schedule of management's corrective action plan. The Judicial Clerk Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of the 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.



Don M. McGehee
Certified Public Accountant
June 29, 2013

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

I have audited the financial statements of the Judicial Clerk Fund as of and for the year ended December 31, 2012, and have issued my report thereon dated June 29, 2013. I conducted my 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. My audit of the financial statements as of December 31, 2012 resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Section 1 Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☒ Yes ☐ No Significant Deficiency ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section 2 Financial Statement Findings

Finding 2012-1. Separation of Duties. The Judicial Clerk Fund's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section 1 Financial Statement Findings

<u>Findings</u>	<u>Status</u>
2011-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control	Unresolved See Finding 2012-1

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section 1 Financial Statement Findings

Findings

2012-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control

Response

The Judicial Clerk's Fund has an accounting workload that can be easily managed by a few employees. The hiring of additional employees to provide enhanced internal control does not appear to be the best use of resources