

ASSUMPTION PARISH CLERK OF COURT
Napoleonville, Louisiana

Annual Financial Report
For the Year Ended June 30, 2019

ASSUMPTION PARISH CLERK OF COURT
Annual Financial Report
For the Year Ended June 30, 2019

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**ASSUMPTION PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Our discussion and analysis of the Assumption Parish Clerk of Court's (the Clerk) financial performance provides an overview of the financial activities as of and for the fiscal year end. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net position of our governmental activities increased substantially due to the increase in fees collected for services.
- During the year, expenses were \$1.1 million that was about half of the \$2.7 million generated in fees and other revenues for governmental activities. The increase in net position was \$1.6 million, mainly due to a large increase in court costs collected for cases settled in the Advanced Deposit funds.
- The governmental funds reported total ending fund balance of \$4.1 million of which all is unassigned. This compares to the prior year ending fund balance of \$2.6 million showing an increase of \$1.6 million – just about double from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Position and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Assets) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

Government-Wide Financial Statements

The *government-wide financial statements* present the financial picture from the economic measurement resources focus using the accrual basis of accounting. These statements include all assets (including capital assets) and deferred outflows of resources as well as all liabilities (including non-current liabilities) and deferred inflows

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

of resources. They are intended to provide a broad overview in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the assets and liabilities, with the difference between the two being reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *Statement of Activities* presents information showing how the 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 related cash flows. Thus, revenues and expenses 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).

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes other funds to help it control and manage resources for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants and other money.

All of the funds are considered governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the operations and basic services provided to residents. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the near-term financing decisions. The reconciliation of differences between the governmental fund financial statements and the government-wide financial statements is explained in a section following each governmental fund financial statement.

**ASSUMPTION PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The Clerk adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the financial position of a government. Net Assets exceeded liabilities by \$2,850,897 at the close of the most recent fiscal year.

The largest portion of total assets is cash and cash equivalents (\$4,090,964 or 98%). The unrestricted net position was \$2,824,413. The other portion of net position of \$26,484 reflects its investment in capital assets (e.g., office furniture, vehicles, and equipment), less accumulated depreciation. The Clerk uses these capital assets to provide services to residents; consequently, the assets are not available for future spending.

The following table reflects the current and prior year condensed Statement of Net Assets:

	FY 2019	FY 2018	Increase (Decrease)
Cash and cash equivalents	\$ 4,133,834	\$ 2,574,557	\$ 1,559,277
Capital Assets	26,484	34,643	\$ (8,159)
Total Assets	4,160,318	2,609,200	1,551,118
Deferred outflows of resources	404,235	190,618	213,617
Current Liabilities	2,011	18,893	(16,882)
Non-current liabilities	1,619,084	1,511,642	107,442
Total Liabilities	1,621,095	1,530,535	90,560
Deferred inflows of resources	92,561	50,361	42,200
Net Invested in Capital Assets	26,484	34,643	(8,159)
Unrestricted	2,824,413	1,184,279	1,640,134
Total Net Position	\$ 2,850,897	\$ 1,218,922	\$ 1,631,975

The net position increased from \$1,218,922 to \$2,850,897. Key elements of these activities are as follows:

- Current assets – mainly Cash & cash equivalents increased by \$1,559,277 due to operating efficiencies.
- Deferred outflows of resources decreased by approximately \$213,617.

**ASSUMPTION PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

- Total liabilities increased by \$90,560, mainly due to the increase in OPEB and Pension liabilities.

The following table reflects the condensed Statement of Activities:

	FY 2019	FY 2018	Increase (Decrease)
Total program expenses	\$(1,104,445)	\$(1,129,427)	\$ 24,982
Total program revenues	<u>2,702,093</u>	<u>2,320,032</u>	<u>382,061</u>
Net program income	1,597,648	1,190,605	407,043
General revenues	<u>34,327</u>	<u>18,152</u>	<u>16,175</u>
Change in Net Position	1,631,975	1,208,757	423,218
Net Position:			
Beginning of the year	<u>1,218,922</u>	<u>10,165</u>	<u>1,208,757</u>
End of the year	<u><u>\$ 2,850,897</u></u>	<u><u>\$ 1,218,922</u></u>	<u><u>\$ 1,631,975</u></u>

The beginning net position of our governmental activities increased by \$1.8 million. The revenues for the year in governmental activities were \$2,702,093 in program revenues an increase of 16% from last year, mainly due to a large increase in court costs collected for cases settled in the Advanced Deposit funds.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS

The General Fund, reported an unassigned fund balance of \$ 4,131,823, which is an increase of \$1,576,159 compared to last year. Unassigned fund balance represents 356% of the total general fund expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for revenues and expenditures for the General Fund was revised during the fiscal year. All variances from budget were favorable and accordance with the Local Government Budget Act.

CAPITAL ASSETS

Capital assets included furniture and fixtures, and office equipment recorded at historical cost of \$234,035. Accumulated depreciation of \$207,551 recorded from the cost of assets resulted in the net book balance of assets of \$26,484.

This year, there were \$5,512 additions to capital assets and \$110,193 disposals. Depreciation expense of \$13,671 was recorded for the year. More detailed information about the capital assets is presented in Note 3 to the financial statements.

**ASSUMPTION PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

LONG TERM LIABILITIES

The Clerk reported long-term liabilities recorded for Other Post-Employment Benefits of \$669,414 and Net Pension Liability of \$949,670. More detailed information about the long-term debt is presented in Note 4 and Note 5 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk of Court considered many factors when budgeting for the next year, including increased or decreased rates and fees to be charged. Another one of those factors is the new laws and regulations.

Following is a condensed summary of next year's budget:

Condensed Summary of Budgeted Finances	
	<u>FY 2020</u>
Anticipated revenues	\$2,500,000
Expenditures:	
Current	1,385,000
Capital outlay	<u>25,000</u>
Anticipated expenditures	<u>1,410,000</u>
Excess of revenues	1,090,000
Fund Balance:	
Beginning of the year	<u>3,674,568</u>
End of the year	<u>\$ 4,764,568</u>

**ASSUMPTION PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of our finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact:

Honorable Darlene Landry
Assumption Parish Clerk of Court
P.O. Drawer 249
Napoleonville, LA 70390
(985) 369-6653
dlandry@assumptionclerk.com

Financial Section



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Darlene Landry
Assumption Parish Clerk of Court
Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Assumption Parish Clerk of Court, a component unit of Assumption Parish Police Jury, as of and for the year ended June 30, 2019, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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 evaluation 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.

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 financial position of the governmental activities and each major fund as of June 30, 2019 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits, and Other Payment to the Agency Head as listed in the table of contents as other supplementary information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2019, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
December 8, 2019



ASSUMPTION PARISH CLERK OF COURT

Statement of Net Position

June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,090,964
Accounts receivable	42,870
Capital assets, net of accumulated depreciation	26,484
Total assets	<u>4,160,318</u>
 DEFERRED OUTFLOWS OF RESOURCES	 404,235
 LIABILITIES	
Accounts payable and accrued expenses	2,011
Non-current liability - net OPEB liability	669,414
Non-current liability - Net Pension liability	949,670
Total liabilities	<u>1,621,095</u>
 DEFERRED INFLOWS OF RESOURCES	 92,561
 NET POSITION	
Investment in Capital Assets	26,484
Unrestricted	2,824,413
Total net position	<u><u>\$ 2,850,897</u></u>

See notes to financial statements.

ASSUMPTION PARISH CLERK OF COURT

Statement of Activities

For the Year Ended June 30, 2019

EXPENSES	Governmental Activities
<i>Judicial:</i>	
Salaries	\$ 610,377
Retirement benefits	154,213
Group insurance	53,056
Deferred compensation	20,395
Payroll taxes	6,627
Clerk supplemental compensation	10,020
Seminars & training	9,276
Professional and technical services	14,220
Equipment maintenance	58,338
Office supplies and maintenance	97,152
Insurance	8,915
Marriage and birth certificate costs	17,314
Book binding and restoration	1,980
LCRAA Portal Fees	6,413
Other	22,478
Depreciation	13,671
<i>Total program expenses</i>	<u>1,104,445</u>
 PROGRAM REVENUES	
Charges for services	<u>2,702,093</u>
<i>Total program revenues</i>	<u>2,702,093</u>
 <i>Net Program (Income) Expense</i>	1,597,648
 GENERAL REVENUES	
Interest earned and other	34,327
Gain from sale of asset	
<i>Total general revenues</i>	<u>34,327</u>
 <i>Change in Net Position</i>	1,631,975
 NET POSITION	
Beginning of year	1,218,922
End of year	<u>\$ 2,850,897</u>

See notes to financial statements.

ASSUMPTION PARISH CLERK OF COURT
Balance Sheet - Governmental Fund
June 30, 2019

ASSETS	General Fund
Cash and cash equivalents	\$ 4,090,964
Accounts receivable	<u>42,870</u>
<i>Total assets</i>	<u><u>\$ 4,133,834</u></u>
LIABILITIES AND FUND BALANCES	
<i>Liabilities :</i>	
Accounts payable and accrued expenses	\$ 2,011
<i>Total liabilities</i>	<u>2,011</u>
<i>Fund Balance :</i>	
Unassigned	<u>4,131,823</u>
<i>Total fund balance</i>	<u><u>4,131,823</u></u>
<i>Total liabilities and fund balances</i>	<u><u>\$ 4,133,834</u></u>

**Reconciliation of the Governmental Fund Balance Sheet
to the Government-wide Statement of Net Position**

Total fund balance - governmental fund (Fund Financial Statement) \$4,131,823

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 funds.

Add - Capital Assets	\$ 234,035	
Deduct - Accumulated Depreciation	<u>(207,551)</u>	26,484

Certain non-current liabilities are not due and payable in the current period and therefore are not reported in the funds.

Net OPEB Liability		(669,414)
Net Pension Liability		<u>(949,670)</u>

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds

Deferred outflows- pensions	336,249	
Deferred inflows-pensions	(21,408)	
Deferred inflows-OPEB	(71,153)	
Deferred outflows-OPEB	<u>67,986</u>	
		<u>311,674</u>

Total net position of governmental activities \$2,850,897
(Government-Wide Financial Statements) \$2,850,897

See notes to financial statements.

ASSUMPTION PARISH CLERK OF COURT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2019

REVENUES	General Fund
Recording fees	\$ 304,786
Xerox copies	9,092
Certified copies	2,680
Civil fees	2,223,232
Mortgage certificates	2,120
Criminal fees	37,687
Cancellations	3,810
Court attendance	4,520
Research fees	44,188
Marriage licenses	3,187
Birth certificates and cards	28,435
Passport fees	10,270
Other fees and charges	3,586
State supplemental pay	24,500
Interest earned	31,484
Other	2,843
<i>Total revenues</i>	<u>2,736,420</u>
EXPENDITURES	
Current - Judiciary:	
Salaries	610,377
Retirement benefits	154,213
Group insurance	117,031
Deferred compensation	20,395
Payroll taxes	6,627
Clerk supplemental compensation	10,020
Seminars & training	9,276
Professional and technical services	14,220
Equipment maintenance	58,338
Office supplies and maintenance	97,152
Insurance	8,915
Marriage and birth certificate costs	17,314
Book binding and restoration	1,980
LCRAA Portal Fees	6,413
Other	22,478
	<u>1,154,749</u>
Capital outlay	5,512
<i>Total expenditures</i>	<u>1,160,261</u>
Net change in fund balance	1,576,159
FUND BALANCES	
Beginning of year	<u>2,555,664</u>
End of year	<u>\$ 4,131,823</u>

See notes to financial statements.

ASSUMPTION PARISH CLERK OF COURT

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2019*

Net change in fund balance - governmental fund (Fund Financial Statements)		\$ 1,576,159
Amounts reported for <i>governmental activities</i> 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.		
Add - capital outlay	\$ 5,512	
Deduct - depreciation expense	<u>(13,671)</u>	(8,159)
Repayment of Non-current liabilities are reported as an expenditure in governmental funds, but the payment reduces long-term obligations in the statement of net position. In the current year, these amounts consists of:		
Pension expense and deferrals	(21,132)	
Other Post-Employment Benefit Cost	<u>85,107</u>	63,975
Change in net assets of governmental activities (Government -Wide Financial Statements)		<u>\$ 1,631,975</u>

See notes to financial statements.

ASSUMPTION PARISH CLERK OF COURT
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2019

	Advance Deposit Fund	Registry of the Court Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,342,907	\$ 741,558	\$ 2,084,465
<i>Total assets</i>	<u>\$ 1,342,907</u>	<u>\$ 741,558</u>	<u>\$ 2,084,465</u>
LIABILITIES			
Held for others pending court action	\$ 1,342,907	\$ 741,558	\$ 2,084,465
<i>Total liabilities</i>	<u>\$ 1,342,907</u>	<u>\$ 741,558</u>	<u>\$ 2,084,465</u>

See notes to the financial statements.

Required Supplemental Information

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

INTRODUCTION

The Clerk of Court (LSA-RS 13:781) serves as the parish recorder of conveyances, mortgages, notary public, et cetera. As provided by Article 5, Section 28 of the Louisiana Constitution of 1974, the Clerk serves a four-year term of office. The current term expires June 30, 2020. The Clerk may appoint deputies with duties and powers provided by law, with the approval of the district judge.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used is discussed below.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clerk of Court is an independently elected official; however, the office is fiscally dependent on the Assumption Parish Police Jury. The Police Jury maintains and operates the Parish Courthouse in which the office is located and provides funds for equipment and furniture. Because the Clerk is fiscally dependent on the Police Jury, it was determined to be a component unit of the Assumption Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the Assumption Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Measurement Focus and Basis of Accounting

The basic financial statements include both government-wide (reporting the entity as a whole) and fund financial statements (reporting the entity's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (GWFS)

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. It is the policy to first utilize restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses (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 reflects capital-specific grants, if any. The net costs by function are normally covered by general revenue (interest income, etc.).

This government-wide focus is more on the sustainability as an entity and the change in its net assets resulting from the current year's activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Fund Financial Statements (FFS)

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Measurement Focus and Basis of Accounting (Continued)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

In the governmental funds revenues such as recordings, cancellations, court attendance, criminal costs, and other fees and charges are recorded in the year they are earned. All other revenues are recorded when received. Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred.

Governmental Funds

Governmental funds account for all of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Measurement Focus and Basis of Accounting (Continued)

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the primary operating fund and accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to clerk policy.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category are agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The following agency funds are utilized:

- The Advance Deposit Fund – provided for under LRS 13:842, is used to account for advance deposits in suits filed by litigants.
- The Registry of Court Fund – provided by LRS 13:475, is used to account for funds held by order of the court until judgment is rendered by the judiciary.

C. Budgets

Annually a budget is adopted for the General Fund. The budget is prepared on the modified accrual basis of accounting. All appropriations contained in the budget lapse at year end. Formal budget integration (within the accounting records) is employed as a management control device. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

D. Deposits and Investments

Cash includes amounts in demand deposits, money market accounts and time deposits. Under state law, the Clerk may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Investments

Investments are limited by Louisiana Revised Statute 25 33:2955 and the investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities of investments are 90 days or less, they are classified as cash and cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with a cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture & Fixtures	10 years

G. Interfund Activities

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. Compensated Absences

Employees earn from one to three weeks of vacation leave each year depending on the length of service. Unused vacation leave is forfeited at the end of each fiscal year. In addition, employees earn 10 days of sick leave each year of which a maximum of 10 days may be carried forward to the next year. Because unused sick leave is forfeited upon termination, no accrual for unused sick leave is necessary.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Fund Equity / Net Position

Governmental Fund Balance – Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

The Clerk applies restricted resources first when an expense is incurred for purposes of which both restricted and unrestricted net position is available.

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office, which amount shall be limited to no more than that which was received by the clerk in accordance with R.S. 1784 (A) during said term in office. At June 30, 2019, there was no amount due the parish treasurer as no funds were received from the parish during the said term.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position includes a separate section for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time.

The governmental activities have deferred outflows and inflows that relate to the net pension liability and OPEB liability, which include the contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plans. They also include the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

Note 2 DEPOSITS AND INVESTMENTS

Deposits - State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit balances at year-end consist of the following:

	Balances	
	Reported	Bank
Checking accounts	\$5,113,326	\$5,217,927
Savings accounts	385,756	385,756
Totals	\$5,499,082	\$5,603,683

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of year-end \$5,103,683 of the bank balance was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Clerk's name.

At year-end, cash and cash equivalents in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositors. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

Cash and cash equivalents also includes \$676,346 in the Louisiana Asset management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150, 165, the investment in LAMP is not categorized in the three risk categories provided by GASB 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 governments 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.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA RS 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the US Treasury, the US government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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.

Note 3 CAPITAL ASSETS

Capital assets and depreciation activity for the year follows:

Cost:	Furniture & Fixtures	Office Equipment	Autos	TOTALS
Beginning Balance	\$ 134,835	\$ 203,881	\$ -	\$ 338,716
Additions	1,576	3,936	-	5,512
Deletions/Adjustments	-	(110,193)	-	(110,193)
Total Cost	\$ 136,411	\$ 97,624	\$ -	\$ 234,035
Accumulated Depreciation				
Beginning Balance	\$ 127,854	\$ 176,219	\$ -	\$ 304,073
Additions	3,334	10,337	-	13,671
Deletions	-	(110,193)	-	(110,193)
Total Accumulated Depreciation	\$ 131,188	\$ 76,363	\$ -	\$ 207,551
Net Capital Assets	\$ 5,223	\$ 21,261	\$ -	\$ 26,484
Current Depreciation	\$ 3,334	\$ 10,337	\$ -	\$ 13,671

There was \$5,512 in additions and \$110,193 of fully depreciated assets disposed of from Capital Assets. Depreciation expense charged in governmental activities was \$13,671.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 4 PENSION PLAN

Plan Description and Provisions

Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Contributions of participating clerks are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All regular employees earning a minimum of \$500 per month and who are under the age of 60 at the time of original employment are eligible to participate in the system. The System also provides death and disability benefits. Benefits are established by state statute. The following is a brief description of the plan benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

A member or former member is eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3-1/3% of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last 6 years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

Disability Benefits

Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits. Effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008 if certified to be totally and permanently disabled pursuant to R.S.11:218 and one of the following applies:

- The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 4 PENSION PLAN (continued)

- The member has at least 10 years of service credit.

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

- 40% of their monthly average final compensation
- 75% of their monthly regular retirement benefit computed pursuant to RS 11:1521(c).

Survivor Benefits

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse.

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in DROP for up to 36 months and defer the receipt of benefits.

Cost of Living Adjustments

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of \$40 per month. The LA statutes allow the board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

Contributions

Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate of 19.00% of annual covered payroll for the year ending June 30, 2018. The contribution requirements of plan members and the Clerk of Court are established as 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 to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 4 PENSION PLAN (continued)

Effective July 1, 1999, the Louisiana Senate passed Bill #556 allowing the Clerks of Court to elect to pay both the employee and employer contributions into this retirement system. The Assumption Parish Clerk of Court has elected to do so for the year ending June 30, 2018 and 2019. The Clerk also contributes for its plan members in addition to its actuarially determined contributions bringing the total contribution to 27.25% of annual covered payroll. Contributions to the system also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

The Clerk's total contribution for the years ending June 30, 2019 totaled \$154,305 \$107,589 were equal to the required employer contributions and \$46,716 was the employee contribution covered by the Clerk.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

The Clerk reported a liability of \$967,670 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the proportion of the plan was 0.5709550%, and increase of 0.00066090%.

For the year ended June 30, 2018, pension expense of \$205,556 was recognized and the following deferred outflows and inflows of resources related to pensions from the following sources:

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 4 PENSION PLAN (continued)

Source	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ 98,668	\$ -
Differences between expected and actual experience	25,203	(9,382)
Net difference between projected and actual earnings on pension plan investments	18,128	-
Changes in proportion and differences between contributions and proportionate share of contributions	86,661	(12,026)
Contributions subsequent to the measurement date	107,589	-
	<u>\$ 336,249</u>	<u>\$ (21,408)</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018 actuarial report. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$85,819
2020	\$62,813
2021	\$15,930
2022	\$42,690
TOTAL	\$207,252

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 4 PENSION PLAN (continued)

Actuarial Assumptions

The actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	6.75%, net of investment expense
Projected salary increases	5.00%
Inflation Rate	2.50%
Expected remaining service lives	5 years

Mortality rates were based on the RP-2000 Employee Table (set back 4 years for males and 3 year for females), RP-2000 Disabled Lives Mortality Tables (set back 5 years for males and 3 years for females), and the RP-2000 Healthy Annuitant Table (set forward 1 year for males).

Cost of Living Adjustments include the present value of the future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected real rates of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 7.10% as of June 30, 2018.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 4 PENSION PLAN (continued)

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Core Fixed Income	5.00%	1.75%
Core plus fixed income	15.00%	2.00%
Large cap domestic Equity	21.00%	4.50%
Non-large cap domestic equity	7.00%	4.75%
Large cap international Equity	14.00%	4.75%
Small cap international equity	6.50%	4.50%
Emerging markets	6.50%	6.25%
Real Estate	10.00%	4.00%
Master Limited Partnerships	5.00%	6.00%
Hedge Funds	10.00%	3.50%
Totals	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Plan's actuary. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Sensitivity to changes in the discount rate

The following presents the net pension liability of the participating employers calculated using the discount rates as shown above, as well as what the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 4 PENSION PLAN (continued)

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$1,451,834	\$ 949,670	\$ 533,420

Pension plan fiduciary net position:

Detailed information about the Plans' fiduciary net position is available in the separate issued financial statements of the Plans and can be found at: laclerkofcourt.org/retirement.htm.

Support of Non-employer contributing entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Clerk recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, revenue as a result of support received from non-employer contributing entities of \$62,629 was recorded for its participation in LCCRF.

Payables to the pension plans:

At June 30, 2019, there were no amounts due to the retirement system for employer and employee contributions.

Note 5 OTHER POST-RETIREMENT BENEFITS

Plan Description. The defined benefit postemployment health care plan (the plan) provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees. The plan is a single employer defined benefit OPEB plan administered by the Clerk. Benefits are provided through the Louisiana Clerks of Court Insurance Trust ("LCCIT"), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute 13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the CLLIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 5 OTHER POST-RETIREMENT BENEFITS (continued)

Benefits Provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 50% of retiree pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The retirees are required to pay for 100% of the premiums for their dependents. The plan also provides for payment of 50% of retiree life insurance premiums.

Employees covered by benefit terms. At January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>14</u>
	<u>17</u>

Total OPEB Liability. The total OPEB liability of \$669,414 was measured as of June 30, 2019, and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	3.00%
Discount rate	3.13%
Healthcare cost trend rates	
Medical:	-4.76% in first year, then 6.75%, decreasing 0.25% per year to an ultimate rate of 5.0%
Medicare Supplement:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 5 OTHER POST-RETIREMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (2.13%)	Current Discount Rate (3.13%)	1.0% Increase (4.13%)
Total OPEB liability	\$ 786,628	\$669,414	\$578,254

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease	Trend Rate	1.0% Increase
Total OPEB liability	\$60,548	\$669,414	\$762,895

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the Clerk recognized OPEB expense (benefit) of \$(55,527) and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 71,153
Changes of assumptions or other inputs	67,986	0
Total	\$ 67,986	\$ 71,153

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 5 OTHER POST-RETIREMENT BENEFITS (continued)

Amounts reported at June 30, 2018 as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:	
2020	(\$533)
2021	(\$533)
2022	(\$533)
2023	(\$533)
2024	(\$533)
Thereafter	(\$502)

Note 6 DEFERRED COMPENSATION

The Clerk of Court employees participate in the State of Louisiana Deferred Compensation Plan. This Plan was established pursuant to IRC Section 457 and Louisiana R.S. 42:1301-1308. The Plan provides state, parish, and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal or state income tax on their contributions. In addition, interest or earnings on the participant's account accumulate tax-deferred.

The participants may choose the amount to contribute with the maximums defined by the Internal Revenue Code and the investment option(s). The Clerk of Court agreed to match each participant's contribution up to a maximum of 10% for the current fiscal year. During the year, employees deferred \$20,395 and the Clerk matched that amount.

Note 7 EXPENSES PAID BY POLICE JURY

LRS 13:784 provides that upon request of the Clerk, the Assumption Parish Police Jury shall provide all necessary office furniture, equipment, and records and books. During the current fiscal year, the Clerk has not requested that the police jury purchase any of the expenses noted. The Assumption Parish Police Jury does however provide office space located in the Parish Courthouse and pays for utilities and maintenance for the Clerk's office. The value of these expenditures paid cannot be reasonably estimated and have not been included in the accompanying financial statements.

ASSUMPTION PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 8 RISK MANAGEMENT

The Clerk of Court is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and automobile liability. The Clerk of Court purchases commercial insurance policies for any and all claims relating to the above types of risks.

The Clerk's payment of the deductible is the only liability associated with these insurance policies. There has been no significant reduction in insurance coverage in the prior year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

Note 9 LITIGATION AND CLAIMS

The Assumption Parish District Attorney's office is currently reviewing the results of an investigation of the Assumption Parish Clerk of Court. The investigation is not completed as of the date of the audit report – December 8, 2019. The effect of the investigation on the financial statements is not known at this time.

Note 10 OPERATING LEASES

In July 2013, the Clerk entered into a Master Agreement for Products and Services with Cott Systems, Inc. to lease equipment and to provide for the use, support and maintenance of software upgrades related to the recording and advance cost hosted systems. The contract added a third layer to the hosted system. The initial term of the lease began at the signing of the Addendum and will continue from the Initial Service Term specified in the schedule. Upon expiration of the initial term, the Addendum will automatically renew for successive (1) one year periods at the current renewal rate. The Customer may elect not to renew the term by giving Cott notice of non-renewal at least 30 days before the scheduled expiration of the then current term. The monthly lease/maintenance payment for the current fiscal year under this agreement is \$2,990 per month.

ASSUMPTION PARISH CLERK OF COURT
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Self-Generated Fees	\$ 1,431,004	\$ 2,431,004	\$ 2,736,420	\$ 305,416
Total revenues	1,431,004	2,431,004	2,736,420	305,416
Expenditures				
Current-Judiciary:				
Personal services & Related Benefits	910,000	975,000	918,663	56,337
Materials and Supplies	68,000	178,000	97,152	80,848
Travel and other charges	9,100	9,100	9,276	(176)
Operation Services	165,000	190,000	129,658	60,342
Total current expenditures	1,152,100	1,352,100	1,154,749	197,351
Capital outlay	25,000	25,000	5,512	19,488
Total expenditures	1,177,100	1,377,100	1,160,261	216,839
Net change in fund balance	253,904	1,053,904	1,576,159	522,255
Fund Balances				
Beginning of year	1,326,831	2,555,664	2,555,664	-
End of year	\$ 1,580,735	\$ 3,609,568	\$ 4,131,823	\$ 522,255

ASSUMPTION PARISH CLERK OF COURT
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total OPEB Liability	6/30/2018	6/30/2019
Service cost	\$ 21,673	\$ 21,387
Interest	26,930	23,630
Changes of benefit terms	-	(100,011)
Differences between expected and actual experience	(9,873)	(71,409)
Changes in assumptions or other inputs	-	76,484
Benefit payments	(26,335)	(28,482)
Net change in Total OPEB Liability	<u>12,395</u>	<u>(78,401)</u>
Total OPEB Liability - beginning	735,420	747,815
Total OPEB Liability - ending	<u>\$ 747,815</u>	<u>\$ 669,414</u>

Covered employee payroll	\$ 530,117	\$ 573,997
OPEB Liability as a percentage of covered employee payroll	141.07%	116.62%

*Note: Initial Year of GASB 75 Implementation is 2018. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Effective January 1, 2019, medical plan contributions were changed to 50% for retirees with no change for dependents. In additions, life insurance benefits were changed

Changes of Benefit Terms include:

Changes of Assumptions-Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Discount rate	3.62%	3.13%
Inflation	2.40%	2.40%
Salary Increases, including inflation	3.00%	3.00%
	RPH-2014	PubG.H-2010
	Employee and	Employee and
	Healthy Annuity,	Healthy Annuity,
	Generational with	Generational with
Mortality Rates	MP-2018	MP-2018

Other Supplementary Information

ASSUMPTION PARISH CLERK OF COURT

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head Name: Darlene Landry, Clerk of Court

Purpose	Amount
Salary	\$110,154
Salary - Supplemental	\$24,600
Salary - Statutory Allowance	\$13,475
Salary - Election Expense	\$2,100
Benefits - insurance	\$10,565
Benefits - retirement	\$9,088
Benefits - Deferred Compensation	\$6,600
Benefits - Medicare tax	\$0
Car Allowance	\$21,838
Vehicle provided by government	\$0
Per Diem	\$0
Reimbursements - auto maintenance	\$0
Travel	\$0
Registration fees (non-CLE)	\$0
Conference travel	\$0
Continuing professional education fees	\$0
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Fuel	\$0
Dues	\$0
Cell Phone	\$0
Other	\$0

This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on
Supplemental Reporting

*Reports Required by
Government Auditing Standards*



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Honorable Darlene Landry
Assumption Parish Clerk of Court
Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Assumption Parish Clerk of Court, a component unit of Assumption Parish Police Jury as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated December 8, 2019.

Internal Control Over Financial Reporting

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

Our 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 misstatements on a timely basis. A *material weakness* is a deficiency or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-1 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2019-2 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Management's Response to Findings

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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.

Assumption Parish Clerk of Court
Napoleonville, Louisiana
Page 3

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
December 8, 2019



ASSUMPTION PARISH CLERK OF COURT
Schedule of Findings and Questioned Costs

June 30, 2019

Section I - Summary of Auditor's Reports

1. The independent auditor's report expresses an unmodified opinion on the financial statements.
2. A significant deficiency in internal control was disclosed during the audit of the financial statements and is noted below as 2019-2. A material weakness in internal control is reported and is noted below as 2019-1.
3. No instances of noncompliance, required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

Section II - Financial Statement Findings

FINDING # 2019-1

DESCRIPTIVE CAPTION *BANK RECONCILIATION*

- **Condition found:**

The receipts and disbursements for the Advanced Deposit account are not recorded properly on the general ledger, and therefore not reconciled monthly to the bank statement.

- **Criteria or specific requirement:**

All bank accounts should be reconciled monthly.

- **Cause:**

There is a report called the Balance Sheet report that lists all of the receipts and disbursements. The software also produced an outstanding check list. Management uses these reports as the support for monthly reconciliation of the Advanced Deposit account.

- **Effect:**

The detail from these reports was not recorded on the general ledger.

- **Recommendations:**

We recommend that the detail from the Balance Sheet report be recorded to the general ledger monthly and to use the outstanding check list to reconcile the general ledger to the bank statement.

- **Management's Response:**

We will consult with an outside accounting firm to learn how to record the detail from the Balance Sheet report to the general ledger monthly and to use the outstanding check list to reconcile the general ledger to the bank statement.

FINDING # 2019-2

DESCRIPTIVE CAPTION RECORDING OF PAYROLL LIABILITIES

- **Condition found:**

Numerous adjustments had to be made to the audited financial statement to correct the coding of payroll liabilities.

- **Criteria or specific requirement:**

Payroll withheld from employees and subsequently paid including the employer portion should be coded to proper accounts.

- **Cause:**

The payroll was not originally set up correctly and caused the payment of the liabilities to be to the incorrect accounts.

- **Effect:**

Numerous year-end adjustments were required.

- **Recommendations:**

We recommend reviewing the coding of payments for payroll liabilities.

- **Management's Response:**

We will consult with an outside accounting firm to review and correct the coding of the payments for payroll liabilities.

ASSUMPTION PARISH CLERK OF COURT

**Statewide Agreed Upon Procedures
Report With Schedule of
Findings and
Management's Responses**

***As of and for the Year Ending
June 30, 2019***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

Assumption Parish Clerk of Court

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2018 – June 30, 2019

To the Assumption Parish Clerk of Court and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Assumption Parish Clerk of Court (the Clerk) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Clerk's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: *The policies of the Clerk address all the functions listed.*

Board or Finance Committee

- 2. Obtain and review the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.



- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *This section is not applicable; there is no board/finance committee..*

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account. We selected the main account and (3) other bank accounts and requested bank statements and reconciliations for the randomly selected month – June 2019.*

For the Advanced Deposit account there is a reconciliation of the Balance Sheet Report, but it does not list outstanding checks or deposits. Two of the accounts with outstanding items for more than 12 months had no written evidence of researching them.

Management's Response: *We will consult with the auditors as to the best manner to address both of these issues to have resolved as soon as possible.*

Collections

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.



- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *There were no exceptions noted as a result of the test procedures performed in this area.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.



- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *The Clerk had exceptions for one procedure, 10)(b). There was no evidence of segregation of duties on the provided support.*

Managements Response: *Due to the small size of the entity this procedure is impossible to follow. The Clerk is the highest level of management, she approves and pays the disbursements. There is a separate employee who reconciles the bank and that is considered a compensating control in place.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should



describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.



- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*



Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Results: *These procedures are not applicable.*

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2019), therefore was excluded from testing in Year 3 (June 30, 2019).*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Stagni & Company

Thibodaux, LA
December 8, 2019



STAGNI & COMPANY, LLC
