

**BIENVILLE PARISH CLERK OF COURT**  
**Arcadia, Louisiana**

**Annual Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**June 30, 2018**  
**With Supplemental Information Schedules**

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended June 30, 2018  
With Supplemental Information Schedules

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Public Accountants

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Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

## **Independent Auditor's Report**

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the Bienville Parish Clerk of Court, a component unit of the Bienville Parish Police Jury, as of June 30, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
Independent Auditor's Report,  
June 30, 2018

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

*Opinions*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, major fund, and fiduciary funds information of the Bienville Parish Clerk of Court as of June 30, 2018, 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.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, the budgetary comparison information on pages 39 through 40, the schedule of funding progress for the retiree healthcare plan on page 41, the schedule of the Clerks' proportionate share of the net pension liability on page 42, and the Schedule of Employer Contributions on page 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bienville Parish Clerk of Court's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining schedule of changes in unsettled deposits is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 45 is presented for purposes of additional analysis and is not a required part of 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

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
Independent Auditor's Report,  
June 30, 2018

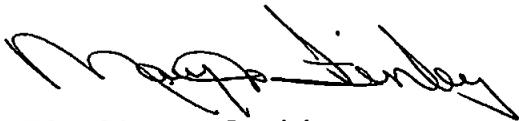
information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information 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*, I have also issued a report dated March 11, 2019, on my consideration of the Bienville Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bienville Parish Clerk of Court's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated March 11, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana  
March 11, 2019

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

**Management's Discussion and Analysis**  
June 30, 2018

As management of the Bienville Parish Clerk of Court, I offer readers of the Bienville Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Bienville Parish Clerk of Court for the fiscal year ended June 30, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) 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 Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the 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 Financial Section.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Bienville Parish Clerk of Court's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 (for example, earned, but unused, sick leave).

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bienville Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Bienville Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Bienville Parish Clerk of Court adopts an annual appropriated budget for the general fund and the special revenue funds. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

**Fiduciary funds.** Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Bienville Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

**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.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Bienville Parish Clerk of Court's performance.

The combining schedule for fiduciary funds is presented immediately following the required supplementary information.

### **Government-wide Financial Analysis**

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Bienville Parish Clerk of Court exceeded assets by \$1,058,114. Assets of the Bienville Parish Clerk of Court exceed net position due to the Net OPEB and Net Pension Liabilities. These assets are not available for future spending.

An additional portion of the Bienville Parish Clerk of Court's Net Position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted Net Position is affected by two factors: 1) resources expended, over time, by the Bienville Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of Net Position.

STATEMENT OF NET POSITION  
Governmental Funds

	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$365,693	\$236,843
Investments	1,728	1,593
Receivables	27,145	40,439
Due from other funds	2,832	
Capital assets (net of accumulated depreciation)	7,325	5,443
<b>TOTAL ASSETS</b>	<b>404,723</b>	<b>284,318</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	151,768	338,700
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$556,491</b>	<b>\$623,018</b>
<b>LIABILITIES</b>		
Accounts payable	\$3,458	\$8,005
Withholdings payable	346	
Due to other funds		26,000
Net pension liability	740,419	918,708
Net OPEB Obligation	816,590	229,441
<b>TOTAL LIABILITIES</b>	<b>1,560,813</b>	<b>1,182,154</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	53,792	89,583
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	7,325	5,443
Unrestricted	(1,065,439)	(654,162)
<b>TOTAL NET POSITION</b>	<b>(1,058,114)</b>	<b>(648,719)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$556,491</b>	<b>\$623,018</b>

STATEMENT OF ACTIVITIES

	2018	2017
<b>Judicial:</b>		
Personal services	\$602,614	\$713,330
Operating services	81,421	78,602
Materials and supplies	14,804	9,113
Travel	98	1,345
Intergovernmental	8,626	9,089
Depreciation expense	4,893	4,353
<b>Total Program Expenses</b>	<b>712,456</b>	<b>815,832</b>
<b>Program revenues:</b>		
License and permits	1,666	1,590
Clerk's supplemental compensation	23,350	22,750
State grant	8,369	
Court cost, fees, and charges	395,741	424,562
Fees for recording legal documents	319,177	218,698
Fees for certified copies of documents	90,237	88,598
Intergovernmental		75,000
Miscellaneous revenues	52,387	52,822
<b>Total program revenues</b>	<b>890,927</b>	<b>884,020</b>

Net Program Expenses	<u>\$178,471</u>	<u>\$68,188</u>
General revenues - Interest earned	5,067	3,362
Change in Net Position	183,538	71,550
Net Position - Beginning of year - as restated	<u>(\$1,241,652)</u>	<u>(\$720,269)</u>
Net Position - End of year	<u>(\$1,058,114)</u>	<u>(\$648,719)</u>

## Financial Analysis of the Government's Funds

As noted earlier, the Bienville Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, combined governmental fund balances of \$393,594 showed an increase of \$148,724 over June 30, 2017. The General Fund's portion of the unreserved, undesignated fund balance of \$185,363 shows an increase (of approximately \$113,718) from the prior year amount.

## General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget were due to a decrease in court costs, fees, and charges and an increase in license and permits, clerks supplemental compensation, State grant, fees for recording, fees for certified copies, miscellaneous revenues and use of money and property. Differences between expenditures of the original budget and the final budget were due primarily to increases in operating services, materials and supplies, and capital outlay and decreases in personal services and related benefits and intergovernmental.

## Capital Asset and Debt Administration

**Capital assets.** The Bienville Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$7,325 (net of accumulated depreciation). This investment includes furniture and equipment. There were increases of \$6,775 and no decreases in capital assets for the year.

**Long-term debt.** The Bienville Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2018 is \$816,590. Net pension obligation associated with the Pension Plan at June 30, 2018 is \$740,419.

## Requests for Information

This financial report is designed to provide a general overview of the Bienville Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bienville Parish Clerk of Court, 100 Courthouse Drive, Room 100, Arcadia, LA 71001.

**BASIC FINANCIAL STATEMENTS**

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

STATEMENT OF NET POSITION  
June 30, 2018

<b>ASSETS</b>	
Cash and cash equivalents	\$365,693
Investments	1,728
Receivables	27,145
Due from other funds	2,832
Capital assets (net of accumulated depreciation)	7,325
TOTAL ASSETS	404,723
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	151,768
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$556,491
<b>LIABILITIES</b>	
Accounts payable	\$3,458
Withholdings payable	346
Net pension liability	740,419
Net OPEB obligation	816,590
TOTAL LIABILITIES	1,560,813
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension and OPEB related	53,792
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	7,325
Unrestricted	(1,065,439)
TOTAL NET POSITION	(1,058,114)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$556,491

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

STATEMENT OF ACTIVITIES  
June 30, 2018

Judicial:	
Personal services	\$602,614
Operating services	81,421
Materials and supplies	14,804
Travel	98
Intergovernmental	8,626
Depreciation expense	4,893
Total Program Expenses	<u>712,456</u>
Program revenues:	
License and permits	1,666
Clerk's supplemental compensation	23,350
State grant	8,369
Court cost, fees, and charges	395,741
Fees for recording legal documents	319,177
Fees for certified copies of documents	90,237
Miscellaneous revenues	52,387
Total program revenues	<u>890,927</u>
Net Program Expenses	178,471
General revenues - Interest earned	<u>5,067</u>
Change in Net Position	183,538
Net Position - Beginning of year - as restated	<u>(1,241,652)</u>
Net Position - End of year	<u><u>(\$1,058,114)</u></u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

	GENERAL FUND	OTHER GOVERNMENTAL FUND WITNESS FEE FUND	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$157,462	\$208,231	\$365,693
Investments	1,728		1,728
Receivables - fees, charges, and commissions	27,145		27,145
Due from other funds	2,832		2,832
TOTAL ASSETS	<b>\$189,167</b>	<b>\$208,231</b>	<b>\$397,398</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$3,458		\$3,458
Withholdings payable	346		346
TOTAL LIABILITIES	3,804	NONE	3,804
Fund Equity - fund balances:			
Restricted - Other General Government		\$208,231	208,231
Unassigned	185,363		185,363
TOTAL FUND EQUITY - FUND BALANCES	185,363	208,231	393,594
TOTAL LIABILITIES AND FUND EQUITY	<b>\$189,167</b>	<b>\$208,231</b>	<b>\$397,398</b>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2018

Total Fund Balances at June 30, 2018 - Governmental Funds (Statement C)		<u>\$393,594</u>
Deferred outflows of resources		151,768
Cost of capital assets at June 30, 2018	\$320,459	
Less: Accumulated depreciation as of June 30, 2018	<u>(313,134)</u>	<u>7,325</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(740,419)
Net OPEB		(816,590)
Deferred inflows of resources		<u>(53,792)</u>
Net Position at June 30, 2018 (Statement A)		<u><u>(\$1,058,114)</u></u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,  
and Changes in Fund Balances

For the Year Ended June 30, 2018

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS WITNESS FEE FUND	TOTAL
<b>REVENUES</b>			
Licenses and permits - marriage	\$1,666		\$1,666
Intergovernmental revenues - state grants - Clerk's supplemental compensation	23,350		23,350
State grant	8,369		8,369
Fees, charges, and commissions for services:			
Court costs, fees, and charges	346,118	\$49,623	395,741
Fees for recording legal documents	319,177		319,177
Fees for certified copies of documents	90,237		90,237
Use of money and property - interest earnings	5,067		5,067
Miscellaneous revenues			
Total revenues	<u>793,984</u>	<u>49,623</u>	<u>843,607</u>
<b>EXPENDITURES</b>			
Current:			
General government - judicial:			
Personal services	568,542	14,617	583,159
Operating services	81,421		81,421
Materials and supplies	14,804		14,804
Travel and other charges	98		98
Capital outlay	6,775		6,775
Intergovernmental	8,626		8,626
Total expenditures	<u>680,266</u>	<u>14,617</u>	<u>694,883</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	113,718	35,006	148,724
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>71,645</u>	<u>173,225</u>	<u>244,870</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$185,363</u>	<u>\$208,231</u>	<u>\$393,594</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds (Statement D)	\$148,724
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	1,882
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	12,421
Non-employer contributions to cost-sharing pension plan	52,387
Pension expense	<u>(31,876)</u>
Change in Net Position of governmental activities (Statement B)	<u>\$183,538</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>CHILD SUPPORT</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$615,085	\$848,873	\$881	\$1,464,839
Investments	8,563	2,165		10,728
Receivables			3,465	3,465
<b>TOTAL ASSETS</b>	<u>\$623,648</u>	<u>\$851,038</u>	<u>\$4,346</u>	<u>\$1,479,032</u>
<b>LIABILITIES</b>				
Accounts payable			\$633	\$633
Due to General Fund			2,832	2,832
Unsettled deposits held for others	\$623,648	\$851,038	881	1,475,567
<b>TOTAL LIABILITIES</b>	<u>\$623,648</u>	<u>\$851,038</u>	<u>\$4,346</u>	<u>\$1,479,032</u>

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2018

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The accompanying financial statements of the Bienville Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

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3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Bienville Parish financial reporting entity.

#### **B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The clerk of court's basic financial statements include both government-wide (reporting the clerk of court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the clerk, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net Position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The clerk first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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### Notes to the Financial Statements (Continued)

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

**Allocation of Indirect Expenses** - The clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

#### **Governmental Fund Type**

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

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**Special Revenue Funds** - The Court Reporter and Witness Fee Funds are used by the clerk's office to account for the proceeds of specific revenue sources which are restricted to expenditures for specified purposes.

**Fiduciary Fund Type - Agency Funds**

The Advance Deposit, Registry of Court, Child Support and Judicial Expense agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end.

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Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

**Expenditures**

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

**E. CASH AND CASH EQUIVALENTS**

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the clerk of court has cash and cash equivalents (book balances) totaling \$1,830,532.

Demand deposits	\$499,172
Time deposits	<u>1,331,360</u>
Total	<u>\$1,830,532</u>

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The

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market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk's name.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times be secured as follows:

Bank Balances	<u>\$1,868,300</u>
Federal deposit insurance	\$1,380,940
Pledged securities (uncollateralized)	<u>717,627</u>
Total	<u>\$2,098,567</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

**F. INVESTMENTS**

Investments held at June 30, 2018 consist of \$12,456, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2018 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955.

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Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, clerks, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

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.

**G. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$300 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

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**H. ANNUAL AND SICK LEAVE**

All employees of the clerk of court's office earn two weeks of non-cumulative vacation leave each year. Sick leave is granted on a case-by case basis, at the discretion of the clerk.

**I. RISK MANAGEMENT**

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

**J. TOTAL COLUMN ON THE BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**K. PENSION PLANS**

The Bienville Parish Clerk's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 3. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

#### **L. OPEB PLAN**

The Clerk's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The Clerk's OPEB 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 LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

#### **M. EQUITY CLASSIFICATIONS**

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

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

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

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

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*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$185,363. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

## **N. ESTIMATES**

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

## **O. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS AND RESTATEMENT OF NET POSITION**

The Bienville Parish Clerk of Courts' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a

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 Notes to the Financial Statements (Continued)

restatement of Net Position. The net effect to the Government-Wide Statement of Net Position of the Clerk by \$593,511.

As of July 1, 2014, the Clerk implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions-Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the Clerk by (\$578).

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2017, as previously stated	(\$648,719)
Net Change in OPEB & Net Pension Liability at June 30, 2018	<u>(592,933)</u>
Total Net Position, June 30, 2018, Restated	<u><u>(\$1,241,652)</u></u>

**2. CHANGES IN CAPITAL ASSETS**

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 2017	\$313,684
Additions	6,775
Deletions	<u>NONE</u>
Balance, June 30, 2018	320,459
Less accumulated depreciation	<u>(313,134)</u>
Net Capital Assets	<u><u>\$7,325</u></u>

**3. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER**

The Louisiana Clerks' of Court Retirement Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1501 to provide retirement, disability and survivor benefits to clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees.

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

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Notes to the Financial Statements (Continued)

***Summary of Significant Accounting Policies.***

The Louisiana Clerks' of Court Retirement and Relief Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Louisiana Clerks' of Court Retirement and Relief Fund employer schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2017.

***Plan Fiduciary Net Position***

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

***Plan Description.***

The Louisiana Clerks' of Court Retirement and Relief Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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Notes to the Financial Statements (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

***Plan Benefits***

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3 percent of the members 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 thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six 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 age to 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

According to the state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance any unfunded accrued liability. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. 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.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2018, the Clerk reported a liability of \$740,419 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerks' proportion of the net pension liability was based on a projection of the Clerks' long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks' actuarially determined. At June 30, 2017, the Clerks' proportion was .4894 percent, which was a decrease of .0072 from its proportion measured as of June 30, 2016.

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 Notes to the Financial Statements (Continued)

For the year ended June 30, 2018, the Clerk recognized pension expense of \$111,175. At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$22,423	\$19,429
Changes in assumptions	32,292	
Net difference between projected and actual earnings on pension plan	10,140	
Changes in employer's proportion on beginning NPL	7,860	40,049
Differences between employer and proportionate share of contributions	51	373
Contributions subsequent to the measurement date	79,002	
<b>Total</b>	<b>\$151,768</b>	<b>\$59,851</b>

\$79,002 reported as deferred outflows of resources related to pensions resulting from the Clerks' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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:	
2018	\$8,298
2019	27,838
2020	5,137
2021	(28,359)
Thereafter	\$12,915

**Actuarial assumptions.** The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2017
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense
Projected salary increases	5.0%

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 Notes to the Financial Statements (Continued)

Inflation rate	2.5%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Healthy Annuitant Table for healthy annuitants (set forward 1 year for males) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)
Expected remaining service lives	2014 - 5 years, 2015 - 5 years, 2016 - 5 years, 2017 - 5 years
Cost of Living Adjustments	The present value of 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 actuarial assumptions used are based on the assumptions used in the 2017 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study performed over the period July 1, 2009 through June 30, 2014 unless otherwise specified.

The discounted rate used to measure the total pension liability was 7.00%. 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 Fund's actuary. Based on those assumptions, the Fund'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 periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method.

***Sensitivity of the Clerks' proportionate share of the net pension liability to changes in the discount rate.***  
 The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2017.

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Clerks' proportionate share of the net pension liability	\$1,133,107	\$740,419	\$407,041

**4. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description.* The Clerk's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The Clerk's OPEB 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 LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

*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 and 50% of dependent pre-Medicare health option 1, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 50% of retiree and 0% for dependent pre-Medicare health Option 2 and 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	5
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	6
Total employees	<u>11</u>

**Total OPEB Liability**

The Clerk's total OPEB liability of \$816,590 was measured as of June 30, 2018 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:

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Notes to the Financial Statements (Continued)

Inflation	2.40%
Salary increases, including inflation	3.00%
Discount rate	3.62%
Healthcare cost trend rates:	
Medical	Initially 7.5%, 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
Dental	Initially 3.5%, decreasing 0.25% per year to an ultimate rate of 3.0%.
Vision	3.0% per year
Retirees' Share of Benefit-Related Costs:	
Medical	Option 1: 50% for retirees and 50% for dependents Option 2: 50% for retirees and 0% for dependents
Medicare Supplement	50% for retirees and 50% for dependents
Dental	50% for retirees and 100% for dependents
Vision	50% for retirees and 100% for dependents
Basic Life Insurance	50%

The discount rate was based on the 6/30/2018 Fidelity General Obligation AA 20- Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

Mortality rates for retirees and surviving spouses were based on the RPH-2014 Healthy Annuitant Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on those used in the Louisiana Clerks of Court Retirement and Relief fund valuation and actuarial experience.

**Changes in the Total OPEB Liability**

Balance at June 30, 2017	\$822,952
Changes for the year:	
Service cost	8,208
Interest	29,423
Differences between expected and actual	(7,271)
Benefit payments and net transfers	(36,722)
Net Changes	<u>(6,362)</u>
Balance at June 30, 2018	<u><u>\$816,590</u></u>

BIENVILLE PARISH CLERK OF COURT  
 Arcadia, Louisiana  
 Notes to the Financial Statements (Continued)

*Sensitivity of the total OPEB liability to changes in the discount rate* - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	<b>1.0% Decrease (2.62%)</b>	<b>Current Discount Rate (3.62%)</b>	<b>1.0% Increase (4.62%)</b>
Total OPEB liability	\$923,363	\$816,590	\$728,088

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's 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:

	<b>1.0% Decrease</b>	<b>Trend Rate</b>	<b>1.0% Increase</b>
Total OPEB liability	\$755,178	\$816,590	\$849,385

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Clerk recognized OPEB expense of \$36,419. At June 30, 2018, the Clerk 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 expenditures	NONE	\$6,059

Amounts reported as deferred outflows of resources and deferred inflows resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	(\$1,212)
2020	(1,212)
2021	(1,212)
2022	(1,212)
2023	(1,212)
Thereafter	\$0

BIENVILLE PARISH CLERK OF COURT  
 Arcadia, Louisiana  
 Notes to the Financial Statements (Continued)

**5. CHANGES IN AGENCY FUND BALANCES**

A summary of changes in agency fund balances deposits due others follows:

	Advance Deposit Fund	Registry of Court Fund	Child Support Fund	Total
Balance, July 1, 2017	\$590,726	\$863,484	\$881	\$1,455,091
Additions	258,074	25,499	19,668	303,241
Deletions	<u>(225,152)</u>	<u>(37,945)</u>	<u>(19,668)</u>	<u>(282,765)</u>
Balance June 30, 2018	<u>\$623,648</u>	<u>\$851,038</u>	<u>\$881</u>	<u>\$1,475,567</u>

**6. LITIGATION AND CLAIMS**

The Bienville Parish Clerk of Court is not involved in any litigation at June 30, 2018, nor is he aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
License and permits	\$1,500	\$1,660	\$1,666	\$6
Intergovernmental revenues-state grants-				
Clerk's supplemental compensation	22,750	23,350	23,350	
State grant		8,369	8,369	
Fees, charges, and commissions for services:				
Court costs, fees, and charges	381,650	350,550	346,118	(4,432)
Fees for recording legal documents	213,500	330,500	319,177	(11,323)
Fees for certified copies of documents	77,100	83,100	90,237	7,137
Miscellaneous	1,000	1,650		(1,650)
Use of money and property - interest earnings	3,000	5,000	5,067	67
Total revenues	<u>700,500</u>	<u>804,179</u>	<u>793,984</u>	<u>(10,195)</u>
<b>EXPENDITURES</b>				
Current:				
General government - judicial				
Personal services and related benefits	566,507	562,157	568,542	(6,385)
Operating services	66,175	79,685	81,421	(1,736)
Materials and supplies	7,100	9,125	14,804	(5,679)
Travel and other charges	16,715	15,465	98	15,367
Capital outlay	100	8,350	6,775	1,575
Intergovernmental	9,750	8,700	8,626	74
Total expenditures	<u>666,347</u>	<u>683,482</u>	<u>680,266</u>	<u>3,216</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	34,153	120,697	113,718	(6,979)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>45,000</u>	<u>45,000</u>	<u>71,645</u>	<u>26,645</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$79,153</u></u>	<u><u>\$165,697</u></u>	<u><u>\$185,363</u></u>	<u><u>\$19,666</u></u>

See accompanying note to budgetary comparison schedule.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Bienville Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

Bienville Parish Clerk of Court  
 Schedule of Changes in Net OPEB Liability and Related Ratios  
 FYE June 30, 2018

Schedule of Funding Progress

**Total OPEB Liability**

Service cost	\$8,208
Interest	29,423
Changes of benefits terms	NONE
Differences between expected and actual experience	(7,271)
Changes of assumptions	NONE
Benefit payments	<u>(36,722)</u>
Net change in total OPEB liability	(6,362)
Total OPEB liability - beginning	<u>822,952</u>
Total OPEB liability - ending	<u><u>\$816,590</u></u>
Covered employee payroll	\$396,846
Net OPEB liability as a percentage of covered-employee payroll	205.77%

Note:

*Benefit Changes.* None

*Changes of Assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2018 - 3.62%

**Bienville Parish Clerk of Court**  
**Schedule of Employer's Share of Net Pension Liability**  
**June 30, 2018**

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.533435%	\$719,530	\$478,698	150.31%	87.34%
June 30, 2016	0.529911%	\$794,883	\$453,272	175.37%	99.23%
June 30, 2017	0.496606%	\$918,708	\$441,500	208.09%	82.10%
June 30, 2018	0.489393%	\$740,419	\$415,801	178.07%	88.49%

Note: - Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**Bienville Parish Clerk of Court  
Schedule of Employer Contributions  
June 30, 2018**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$90,953	\$90,953	\$0	\$478,698	19.00%
June 30, 2016	\$86,122	\$86,122	\$0	\$453,272	19.00%
June 30, 2017	\$83,885	\$83,885	\$0	\$441,500	19.00%
June 30, 2018	\$79,002	\$79,002	\$0	\$415,801	19.00%

Note: - Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

BIENVILLE PARISH CLERK OF COURT  
Arcadia, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2018

JAMES MARTIN, CLERK OF COURT

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$110,154
Expense Allowance	13,368
Supplemental Compensation	23,400
Election expense	2,100
Benefits-insurance	10,285
Benefits-retirement	28,341
Benefits-Medicare	2,163
Cellphone	1,161
Registration fees	98
Membership dues-Clerk's Association	2,189

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended June 30, 2018

**FIDUCIARY FUND TYPE - AGENCY FUNDS**

**ADVANCE DEPOSIT FUND**

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

**REGISTRY OF COURT FUND**

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

**CHILD SUPPORT FUND**

The Child Support Fund accounts for the collection and distribution of child support obligations and the assessment and remittance of a five per cent fee on the child support payments.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled  
Balances Due to Taxing Bodies and Others  
For the Year Ended June 30, 2018

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	CHILD SUPPORT FUND	TOTAL
<b>UNSETTLED DEPOSITS AT BEGINNING OF YEAR</b>	<u>\$590,726</u>	<u>\$863,484</u>	<u>\$881</u>	<u>\$1,455,091</u>
<b>ADDITIONS</b>				
Deposits - suits and successions	258,067	23,791		281,858
Interest earned on investments	7	1,708		1,715
Other additions			19,668	19,668
Total additions	<u>258,074</u>	<u>25,499</u>	<u>19,668</u>	<u>303,241</u>
Total	<u>848,800</u>	<u>888,983</u>	<u>20,549</u>	<u>1,758,332</u>
<b>REDUCTIONS</b>				
Clerk's costs to General Fund	132,417		15,852	148,269
Deposits settled to:				
Sheriff's fees	22,480		3,816	26,296
Other reductions	70,255	37,945		108,200
Total reductions	<u>225,152</u>	<u>37,945</u>	<u>19,668</u>	<u>282,765</u>
<b>UNSETTLED DEPOSITS AT END OF YEAR</b>	<u>\$623,648</u>	<u>\$851,038</u>	<u>\$881</u>	<u>\$1,475,567</u>

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**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 *Government Auditing Standards***

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the Bienville Parish Clerk of Court, a component unit of the Bienville Parish Police Jury, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Bienville Parish Clerk of Court's basic financial statements, and have issued my report thereon dated March 11, 2019.

**Internal Control Over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that I consider to be a significant deficiency.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
June 30, 2018

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bienville Parish Clerk of Court's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 2018-002 in the accompanying schedule of findings and questioned costs.

**Bienville Parish Clerk of Court's Response to Findings**

Bienville Parish Clerk of Court's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Bienville Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bienville Parish Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bienville Parish Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana  
March 11, 2019

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

Schedule of Findings & Questioned Costs  
For the Year Ended June 30, 2018

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Bienville Parish Clerk of Court.
2. One instance of noncompliance material to the financial statements of the Bienville Parish Clerk of Court was disclosed during the audit.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2018-001 Inadequate Segregation of Duties**

**Condition:** The segregation of duties is inadequate to provide effective internal control.

**Criteria:** Adequate segregation of duties is essential to a proper internal control structure..

**Cause of Condition:** The condition is due to economic limitations.

**Effect of Condition:** Not determined.

**Recommendation:** No action is recommended.

**Response:** Management is ultimately responsible for the finances of this office. He has segregated duties in the office as much as the size of the office will allow. His determination to provide effective internal control has been verified in that he has adequately maintained accuracy of all finances.

**2018-002 Failing to file Financial Statements Pursuant to R.S. 24:513 B.(3)**

**Condition:** The Franklin Parish Clerk of Court's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of December 31, 2018.

**Criteria:** State law requires audited financial statements of governments to be submitted within six months of year end.

**BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana**

**Schedule of Findings & Questioned Costs  
For the Year Ended June 30, 2018**

**Cause of Condition:** Management was unable to provide a complete set of books in time for the external auditor to complete the audit by its due date.

**Effect of Condition:** Material noncompliance relating to the financial statements.

**Recommendation:** Management should have financial records completed in a timely manner.

**Response:** I have a small staff and unexpected medical emergencies caused me to be unable to complete my audit in a timely manner.

BIENVILLE PARISH CLERK OF COURT  
Arcadia, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2018

**2017-001      Failing to file Financial Statements Pursuant to R.S. 24:513**

**Finding:** The Bienville Parish Clerk of Court's financial statements were due to the legislative auditor by December 31, 2017. The Bienville Parish Clerk of Court did not provide the information needed to file the financial statements with the Statewide Agreed Upon Procedures by the due date.

**Recommendation:** The Bienville Parish Clerk of Court should submit financial information to the auditor in a timely manner in order for the financial statements to be submitted to the legislative auditor by the due date.

**Conclusion:** This finding has not been resolved and is included as Finding 2018-002.

**JAMES W. "JIM" MARTIN**  
— Clerk of Court —  
BIENVILLE PARISH

100 Courthouse Drive, Suite 1100  
Arcadia, LA 71001

Phone (318) 263-2123  
FAX (318) 263-7426

[jimmartin@bienvilleparish.org](mailto:jimmartin@bienvilleparish.org)

March 11, 2019

Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804

RE: Findings-Financial Statement – Year Ended June 30, 2018

In response to 2018-001 Inadequate Segregation of Duties

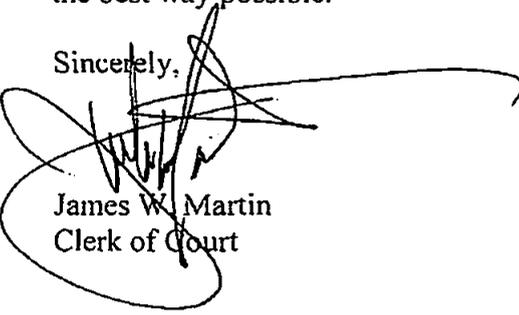
As Clerk of Court I am ultimately responsible for the finances of this office. We have segregated duties as much as the size of the office will allow. My determination to provide effective internal control has been verified in that we have adequately maintained accuracy of all finances.

In response to 2018-002 failing to file Financial State pursuant to RS: 24:513B(3):

We are a small, rural office with myself and six employees. During the year, our Chief Deputy retired which required the rearrangement of duties and hiring a new employee who also had to learn all of her duties. During this transition, I feel which caused a concussion and over a month of periodic memory loss. I was diagnosed with Post-Concussion Syndrome by a Neurologist and instructed to spend 2 weeks undertaking no difficult mental activity and very little physical activity. The neurologist wrote a specific note instructing me to postpone any work on our audit due to the mental stress it causes. As soon I was allowed to return to work, in mid January, I began to work diligently on completing my audit requirements. Under the circumstances I do not feel that completing our audit timely was possible.

Our deputies were able to maintain the day to day work in our office and to serve the public in the best way possible.

Sincerely,



James W. Martin  
Clerk of Court

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Bienville Parish Clerk of Court  
100 Courthouse Drive, Rm 100  
Arcadia, LA 71001

To the Bienville Parish Clerk of Court's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Bienville Parish Clerk of Court's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. Management of Bienville Parish Clerk of Court's Office 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, I 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 findings are as follows:

**AGREED-UPON PROCEDURES**

**WRITTEN POLICIES AND PROCEDURES**

1. The Clerk provided a policy and procedures manual to test against the agreed upon procedures.
  - 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, 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.

Written policies and procedures were obtained and address the function noted above. The Clerk is not in compliance with purchasing, disbursements, receipts and collections, credit cards and ethics.

#### **BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)**

- 2. The Bienville Parish Clerk of Court's office does not have a board or a finance committee therefore this procedure is not applicable.

#### **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 that 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. A random sample of 5 bank accounts were selected for testing.

For the 5 bank accounts selected it was determined that the bank reconciliations were dated to show evidence that they were not all reconciled within 2 months of the closing date of the statements. The bank reconciliations were performed by the Clerk, and no evidence to that they were reviewed by anyone else. 3 of the 5 accounts had outstanding reconciling items over 12 months.

## 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).

Agency provided me with a certified list of deposit sites and I verified that it was complete.

- 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.

The clerk's office has a risk management policy but it does not cover employee theft. The agency has 1 cash drawer. Multiple deputies work out of the cash drawer. For the Advance Deposit fund, written numbered cash receipts are given when money is collected. At the end of the day the cash drawer is reconciled to the receipts and the deposit is prepared. The head of the department makes the deposit. The advance deposits are entered into the accounting system once a month when the bank account is being reconciled. Multiple deputies work out of the drawer. The information is put into the software when the money is collected. The drawer is reconciled daily and money is deposited daily by the chief deputy. The chief deputy takes reports from this software and gives the information to the Clerk to enter into the GFA accounting software after the deposits are made. Bank reconciliations are prepared by the Clerk.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The Clerk does not have employee theft insurance coverage on the employees.

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 statement 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.

The Clerk does not use pre-numbered receipts, the system generates receipts when money is collected. Deposit documentation was traced to the cash register information for the days receipts. The deposit slips selected were traced to the bank statements for all accounts. The Clerk's office makes daily deposits. The deposit slips selected were traced from the bank statements to the general ledger posting.

**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).

Agency provided a complete list of locations that process payments and represented that the list was complete.

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 initialing 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.

The Clerk does not use a purchase order system. The chief deputy or department heads initiate all purchases and the Clerk approves all purchases. The Clerk has ultimate approval on all purchases. The Clerk initiates and signs all checks for the general fund. The chief deputy initiates and signs all checks for the advanced deposit fund. The Clerk adds any new vendors. The Clerk mails all checks.

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.

All disbursements selected to be tested had the proper support documentation. The Clerk initiates and signs all checks for the general fund. The Clerk reconciles the *bank statements*

and there is no written documentation that the bank reconciliations are reviewed by anyone else.

## **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.

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

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.

The Clerk attaches proper support to the credit card statement, reviews and approves. For the card tested, there were no service charges or interest charges noted.

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 for the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

All transactions tested had the proper documentation and appeared to be for business purposes.

## **TRAVEL AND EXPENSE REIMBURSEMENT**

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 form/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](http://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.

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete.

The agency had no employees that received any travel reimbursements.

## **CONTRACTS**

- 15. The Bienville Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## **PAYROLL AND PERSONNEL**

- 16. The Bienville Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 17. The Bienville Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 18. The Bienville Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 19. The Bienville Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## **ETHICS (EXCLUDING NONPROFITS)**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:

A) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

B) 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.

The agency provided support for ethics training for the five randomly selected employees above. The agency did not have any documentation to show that the employees have read the agency policy concerning the ethics policy.

## **DEBT SERVICE**

21. The Bienville Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

22. The Bienville Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## **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.

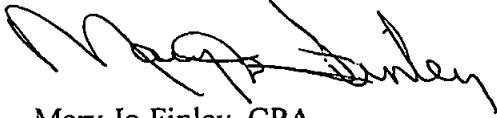
The clerk's office has no known misappropriation of funds during the test period.

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.

I observed the fraud hotline notice posted on the premises.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.

A handwritten signature in black ink, appearing to read "Mary Jo Finley". The signature is stylized and cursive.

Mary Jo Finley, CPA  
March 11, 2019

# JAMES W. "JIM" MARTIN

— Clerk of Court —  
BIENVILLE PARISH

100 Courthouse Drive, Suite 1100  
Arcadia, LA 71001

Phone (318) 263-2123  
FAX (318) 263-7426

[jimmartin@bienvilleparish.org](mailto:jimmartin@bienvilleparish.org)

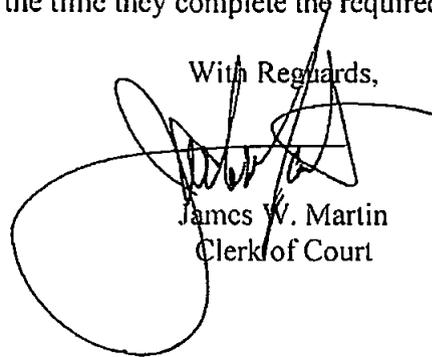
March 11, 2019

Mary Jo Finley, CPA  
116 Professional Drive  
West Monroe, LA 71291

Following is the Bienville Parish Clerk of Court's response to the exceptions found during our audit. These exceptions were found during the testing performed in accordance with the LLA's guidelines for the Statewide Agreed-Upon Procedures:

1. Due to the size of our office we feel that we are in compliance with written policies and procedures and with regard to an office our size.
3. We have begun clearing checks that have been outstanding for more than 12 months. I have also assigned my Chief Deputy to assist in assuring all bank statements are reconciled within 60 days. He also will review all reconciliations performed by the Clerk.
5. It would not be cost effective for each employee to operate their own cash drawer.
6. We are considering a theft policy for all employees.
9. Due to the size of our office it is ultimate responsibility of the Clerk to approve all purchases.
10. I have named a new Chief Deputy who will be reviewing all bank reconciliations.
12. Due to the size of our office and the fact that the Clerk is ultimately responsible, further review is not necessary.
20. We are in the process of developing a written Ethics Plan that each employee will be required to sign at the time they complete the required ethics training.

With Regards,

A handwritten signature in black ink, appearing to read 'James W. Martin', is written over the typed name and title. The signature is stylized and somewhat illegible.

James W. Martin  
Clerk of Court