



**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

JUNE 30, 2016

BASIC FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2016**

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CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
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JUNE 30, 2016**

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INDEPENDENT AUDITORS' REPORT

The Honorable David Dart
East Feliciana Parish Clerk of Court
P. O. Box 599
Clinton, Louisiana 70722

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental-type activities of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements as listed in the table of contents. I have also audited each fiduciary fund type of the East Feliciana Parish Clerk of Court, as of and for the year ended June 30, 2016, as displayed in the Clerk of Court's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities as well as each fiduciary fund type of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Matters – Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements. The combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements of 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 combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are 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 my report dated November 20, 2016, on my consideration of the East Feliciana Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of 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 East Feliciana Parish Clerk of Court's internal control over financial reporting and compliance.



William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
November 20, 2016

REQUIRED SUPPLEMENTARY INFORMATION
(PART 1 OF 2)

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

The purpose of the Management's discussion and analysis (MD&A) is to introduce the basic financial statements and provide an analytical overview of the Clerk of Court's financial activities. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements beginning on page 9.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This annual report consists of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information. The government-wide financial statements provide information about the activities of the Clerk of Court as a whole and present a longer-term view of its finances. Fund financial statements depict how these activities were financed in the short-term as well as what remains for future spending.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the Clerk from an economic resource measurement focus using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. They include a statement of net position and statement of activities.

Statement of Net Position. This statement presents information on all of the Clerk's assets, deferred outflows of resources, liabilities and inflows of resources with the difference between them 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 Clerk of Court's office is improving or not.

Statement of Activities. This statement presents information showing how the Clerk's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Clerk's financial reliance on general revenues.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Clerk of Court has only one category of funds: governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Clerk of Court's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. The governmental funds provide a reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints. These statements can be found on pages 12-15 of this report.

Fiduciary Funds. The Clerk of Court is the trustee, or fiduciary, over assets which can only be used for the trust beneficiaries; these include advance deposits, registry of court and indigent transcript funds. The activity of these funds are reported separately in the statement of fiduciary net position on page 16 and schedule of changes in fiduciary net position found in supplementary information. These activities are excluded from government-wide and fund financial statements because the assets of fiduciary funds cannot be used to finance operations of the Clerk.

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. The index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

FINANCIAL ANALYSIS OF THE CLERK OF COURT

The net assets decreased by \$21,701 from \$70,403 to \$48,702. This decrease is a result of expenses recognized in relation to post-employment benefits and depreciation.

Below is a comparison of the current and prior year's net position.

**SUMMARY OF NET POSITION
Governmental Activities**

	<u>2016</u>	<u>2015</u>
Assets		
Current assets	\$ 690,604.45	\$ 664,444.42
Investments	110,215.79	110,215.79
Capital assets, net	<u>13,836.00</u>	<u>15,928.48</u>
Total Assets	814,656.24	790,588.69
 Deferred Outflows of Resources	 163,228.38	 252,653.00
 Liabilities		
Current liabilities	41,193.47	49,888.35
Long-term liabilities	<u>828,517.47</u>	<u>773,585.52</u>
Total Liabilities	869,710.94	823,473.87
 Deferred Inflows of Resources	 <u>59,472.00</u>	 <u>149,365.00</u>

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Net Position

Net investment in capital assets	13,836.00	15,928.48
Unrestricted	<u>34,865.68</u>	<u>54,474.34</u>
Net Position	<u>48,701.68</u>	<u>70,402.82</u>

Total revenues increased slightly by \$15,251 or 1.9%. In contrast, expenditures increased by \$52,510 or 6.4%. This is a result of recognizing resources that will be utilized in future periods including post-employment benefits and net pension obligations.

A summary of changes in net position is as follows:

**SUMMARY OF CHANGES IN NET POSITION
Governmental Activities**

	<u>2016</u>	<u>2015</u>
Revenues		
Charges for services	\$ 815,208.66	\$ 795,606.21
General revenues:		
Interest earned	2,607.36	2,420.25
Other revenues	<u>18,070.14</u>	<u>22,609.16</u>
Total Revenues	835,886.16	820,635.62
Expenses		
General government	<u>857,587.30</u>	<u>805,077.70</u>
Change in net position	(21,701.14)	14,557.92
Net position, restated, beginning	<u>70,402.82</u>	<u>55,844.90</u>
Net position, ending	<u>48,701.68</u>	<u>70,402.82</u>

BUDGETARY HIGHLIGHTS

The Clerk received more in revenues than it anticipated in the year ended June 30, 2016, by \$189,086. At the same time, expenditures were \$28,156 or 3.6% more than budgeted amounts. Overall there was a positive variance of \$217,242 in change in net position.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Clerk's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2016 and 2015, was \$13,836 and \$15,928, respectively. There were no additions or disposals during the current year.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
	<u>2016</u>	<u>2015</u>
Depreciable Assets		
Equipment/furniture	\$ <u>13,836.00</u>	\$ <u>15,928.48</u>

Long-Term Debt: Long-term obligations of the Clerk include obligations extending beyond one year of \$173,773 and \$131,776 at June 30, 2016 and 2015, respectively, in post-employment benefits, an increase of \$41,997 which is the annual required contribution based on actuarial estimations less contributions made during the year.

Also reported is the Clerk's proportionate share of pension liability totaling \$654,744 and \$641,125 at June 30, 2016 and 2015, respectively. This liability is being reported in accordance with GASB Statement No. 68 implemented in the current year. These amounts are also based on actuarial estimates.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Clerk's finances, comply with finance-related laws and regulations and demonstrate the Clerk's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the East Feliciana Parish Clerk of Court, P. O. Box 599, Clinton, Louisiana 70722, 225-683-5145.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2016**

ASSETS

Cash and cash equivalents	\$ 669,940.99
Receivables	20,663.46
Investments	110,215.79
Capital assets, net	<u>13,836.00</u>
Total Assets	814,656.24

DEFERRED OUTFLOWS OF RESOURCES

Related to pensions	163,228.38
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LIABILITIES

Accounts payable	4,532.56
Payroll deductions payable	22,094.91
Due to other governmental agencies	14,566.00
Other post-employment benefits payable	173,773.47
Net pension liability	<u>654,744.00</u>
Total Liabilities	869,710.94

DEFERRED INFLOWS OF RESOURCES

Related to pensions	<u>59,472.00</u>
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NET POSITION

Net investment in capital assets	13,836.00
Unrestricted	<u>34,865.68</u>
Total Net Position	<u><u>48,701.68</u></u>

See Accompanying Notes and Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

<u>Functional/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 826,336.43	\$ 783,957.79	\$ -	\$ -	\$ (42,378.64)
Intergovernmental	31,250.87	31,250.87	-	-	-
Total Governmental Activities	857,587.30	815,208.66	-	-	(42,378.64)
		General Revenues			
					2,607.36
					18,070.14
					20,677.50
					(21,701.14)
					70,402.82
					48,701.68

See Accompanying Notes and Independent Auditor's Report

FUND FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

ASSETS

Cash and cash equivalents	\$ 669,940.99
Receivables:	
Accounts, net	19,682.00
Accrued interest	981.46
Investments	<u>110,215.79</u>
Total Assets	<u><u>800,820.24</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	4,532.56
Payroll deductions payable	22,094.91
Due to other governmental agencies	<u>14,566.00</u>
Total Liabilities	41,193.47
Fund Balances:	
Unassigned	<u>759,626.77</u>
Total Liabilities and Fund Balances	<u><u>800,820.24</u></u>

See Accompanying Notes and Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total Fund Balances - Total Governmental Funds \$ 759,626.77

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation, reported on the Statements of Net Position. 13,836.00

Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the Clerk's governmental activities:

Other post-employment benefits (173,773.47)
Net pension liability (654,744.00)

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

Deferred outflows of resources related to pensions 163,228.38
Deferred inflows of resources related to pensions (59,472.00)

Total Net Position - Governmental Activities 48,701.68

See Accompanying Notes and Independent Auditor's Report

EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

REVENUES

Intergovernmental revenues	\$	31,250.87
Charges for services:		
Court costs and fees		436,904.50
Certified copies and data processing		146,743.40
Licenses		3,172.89
Recording fees		197,137.00
Interest earned		2,607.36
Other revenues		<u>18,070.14</u>
Total Revenues		<u>835,886.16</u>

EXPENDITURES

General government		<u>801,031.25</u>
Change in Fund Balances		34,854.91
Fund Balances, beginning		<u>724,771.86</u>
Fund Balances, ending		<u><u>759,626.77</u></u>

See Accompanying Notes and Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ 34,854.91

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
depreciation charged differed from capital outlay in the
current period. (2,092.48)

Governmental funds report pension contributions as expenditures.
However, in the Statement of Activities, the cost of pension
benefits earned net of employee contributions is reported as
pension expense. This is the amount by which pension contributions
charged differed from the actuarial cost of benefits. (13,150.62)

Governmental funds report payments on long-term obligations
as expenditures. However, in the Statement of Activities, these
payments are recognized as decreases in the long-term debt.
This is the change in long-term obligations during the year.

Compensated absences 684.52
Other post-employment benefits (41,997.47)

Change in Net Position - Governmental Activities (21,701.14)

See Accompanying Notes and Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

ASSETS

Cash and cash equivalents	\$ 796,909.52
Investments	<u>370,000.00</u>
Total Assets	<u><u>1,166,909.52</u></u>

NET POSITION

Held in trust for others	<u>1,166,909.52</u>
Total Net Position	<u><u>1,166,909.52</u></u>

See Accompanying Notes and Independent Auditor's Report

NOTES TO FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

INTRODUCTION

The East Feliciana Parish Clerk of Court (hereinafter referred to as the Clerk), as provided by Article V, Section 28 of the Louisiana Constitution of 1974, serves as the ex-officio notary public; the recorder of conveyances, mortgages and other acts; and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the East Feliciana Parish Clerk of Court conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The financial reporting entity as defined in GASB Statement No. 14, consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) 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. For financial reporting purposes, the East Feliciana Parish Police Jury is considered the financial reporting entity for East Feliciana Parish. The Clerk, therefore, is considered a component unit of the East Feliciana Parish Police Jury. The accompanying financial statements, however, present only the transactions of the East Feliciana Parish Clerk of Court.

Government-wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the Clerk has presented a statement of net position and statement of activities for the Clerk as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payable are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Clerk. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Clerk has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Restricted Net Position

Restricted net position are those for which a constraint has been imposed either externally or by law. The Clerk recognizes the use of restricted resources for expenditures that comply with the specific restrictions. These resources are exhausted before unrestricted net position is used.

Fund Accounting: The Clerk uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

A fund is a separate entity with a self-balancing set of accounts. Funds of the Clerk are classified under two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Clerk's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Clerk include:

1. General – accounts for all activities not required to be reported in another fund.

Fiduciary Funds: These fund types are used to account for assets held in trust for third-party individuals, private organizations and/or other governmental units/funds. Fiduciary funds include:

1. Agency Funds – The Advance Deposit and Registry of Court agency funds account for assets held by the Clerk as an agent for others, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of governmental and business-type activities are included in the statement of net position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

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The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Budgets and Budgetary Accounting: The Clerk adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. Appropriations lapse at year-end. There was one amendment made to the budget during the fiscal year ended June 30, 2016.

Cash and Cash Equivalents: Cash includes amounts in demand and interest bearing demand deposits. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the Clerk may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory is reported at cost. It includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Receivables: Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. There is no allowance recorded in the accompanying financial statements as management expects 100% of its outstanding receivables to be collected. Revenues become susceptible to accrual when they become both measurable and available.

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

Capital Assets: The Clerk's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: equipment and furniture – 5-7 years.

Compensated Absences: The Clerk has the following policy relating to vacation and sick leave:

Vacation leave – Employees receive ten (10) days vacation leave each year on the anniversary of their employment. If an employee terminates at the end of the year, the employee will be paid for unused vacation leave earned.

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Sick leave – Employees receive ten (10) days sick leave each year. Sick leave is non-cumulative, but employees are paid for unused sick leave at the end of the year at their regular salary rate. Sick leave is not paid upon termination.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures in the General Fund when leave is actually earned.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Pension Plan: The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer schedules in accordance with GASB No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* which provides for 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.

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that are reserved by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, these non-expendable net position are recorded separately from expendable net position. These are components of restricted net position.

Unrestricted Net Position

This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

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Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose.

The Clerk of Court applies restricted resources first when expenditures are incurred for purposes for which either restricted resources or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The Clerk does not have a formal minimum fund balance policy.

NOTE 2 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents (book balances) on hand are as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Petty cash	\$ 122.50	\$.00
Interest-bearing demand deposits	489,702.60	148,804.68
LAMP, Inc.	<u>180,115.89</u>	<u>648,104.84</u>
Total	<u>669,940.99</u>	<u>796,909.52</u>

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

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All deposits of the Clerk are covered by insurance (FDIC) or collateralized with securities that are held by and in the entity's name or registered in the entity's name. Even though the pledged securities are considered uncollateralized under the provision of GASB Statement 3, La R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

The Clerk has investments in a local government investment pool that is administered by a non-profit corporation, LAMP, Inc. Investments included in its portfolio, that is restricted to those issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its assigns, include only those with maturities of ninety days or less. For this reason, the account balances at year-end are recognized as cash and cash equivalents.

The following facts are relevant for money market like investment pools:

Credit Risk. LAMP is rated AAAM by Standard and Poor's.

Custodial Credit Risk. Participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore no disclosure is required.

Concentration of Credit Risk. Pooled investments are excluded from the 5% disclosure requirements.

Inherent Rate Risk. Money market like investment pools are excluded from this disclosure requirement per Paragraph 15 of GASB Statement No. 40.

Foreign Currency Risk. This type of risk is not applicable to money market like pools.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and a board of directors. It is not registered with the SEC as an investment company. Administrative offices can be reached at 800-249-5267.

	<u>Fair Value</u>	<u>Cost/Carrying Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
LAMP, Inc.	\$ <u>828,220.73</u>	\$ <u>828,220.73</u>	N/A	.42%-.47%

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NOTE 3 – INVESTMENTS

Investments at June 30, 2016, which are fully insured, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Cost/Carrying Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Certificates of deposit	\$ 10,215.29	\$ 10,215.29	8/10/2016	.65%
	50,000.00	50,000.00	8/12/2016	.25%
	90,000.00	90,000.00	9/27/2016	.35%
	30,000.00	30,000.00	12/21/2016	.35%
	100,000.50	100,000.50	02/14/2017	.70%
	<u>200,000.00</u>	<u>200,000.00</u>	2/14/2017	.70%
	<u>480,215.79</u>	<u>480,215.79</u>		

Of the amount reported, \$110,215.79 is held by governmental funds and \$370,000 is held by agency funds. The Clerk categorizes the fair value measurements of its investments based on the hierarchy established by the GASB Statement No. 72, *Fair Value Measurements and Applications*. The hierarchy, that has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. All of the Clerk's investments are Level 1.

NOTE 4 – RECEIVABLES

The net receivables of the general fund, with the exception of inter-fund transactions, are as follows:

Accounts	\$ 19,682.00
Accrued interest	<u>981.46</u>
Total	<u>20,663.46</u>

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NOTE 5 – CAPITAL ASSETS

Capital asset activity of governmental activities for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Equipment	\$ 75,665.71	\$.00	\$.00	\$ 75,665.71
Less: accumulated depreciation	<u>60,834.82</u>	<u>1,475.23</u>	<u>.00</u>	<u>62,310.05</u>
Net Equipment	14,830.89	(1,475.23)	.00	13,355.66
Furniture/fixtures	87,064.41	.00	.00	87,064.41
Less: accumulated depreciation	<u>85,966.82</u>	<u>617.25</u>	<u>.00</u>	<u>86,584.07</u>
Net Furniture/fixtures	1,097.59	(617.25)	.00	480.34
Net Capital Assets, being depreciated	<u>15,928.48</u>	<u>(2,092.48)</u>	<u>.00</u>	<u>13,836.00</u>

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The payables of the general fund are as follows:

Accounts	\$ 4,532.56
Payroll deductions	22,094.91
Due to other governmental agencies	<u>14,566.00</u>
Total	<u>41,193.47</u>

Fiduciary funds had balances held in trust for others totaling \$1,166,909.52 at June 30, 2016.

NOTE 7 – INTER-GOVERNMENTAL TRANSACTIONS

Inter-governmental revenues of the general fund are as follows:

State supplement	\$ 21,850.00
La. Dept. of Elections	<u>9,400.87</u>
Total	<u>31,250.87</u>

NOTE 8 – ON-BEHALF PAYMENTS

Certain operating expenditures of the Clerk are paid by the East Feliciana Parish Jury and are not included in the accompanying financial statements.

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NOTE 9 – LEASES

Operating Leases. The Clerk had a lease for mailing equipment that was initially executed in August of 2004. There is also a lease on copier equipment. The amount paid for equipment rentals during the current year was \$5,165.80. There are no capital leases.

NOTE 10 – LONG-TERM LIABILITIES

Long-term liabilities include the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Compensated absences	\$ 684.52	\$.00	\$ 684.52	\$.00
Post-employment benefits	131,776.00	41,997.47	.00	173,773.47
Net pension liability	641,125.00	13,619.00	.00	654,744.00
Total	<u>773,585.52</u>	<u>55,616.47</u>	<u>684.52</u>	<u>828,517.47</u>

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The Clerk’s defined benefit post-employment health care plan provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Plan is affiliated with the Louisiana Clerks of Court Insurance Trust (LCCIT), an agent multiple-employer post-employment health care plan administered by the Louisiana Clerks of Court Association.

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk currently pays the entire premium charged by the LCCA for retirees and 50% of the cost for dependents, and surviving spouses pay 100%. For fiscal year 2016, the Clerk contributed approximately \$74,715 to the plan and the participating retirees contributed \$11,188.

Annual OPEB Cost and Net OPEB Obligation. The Clerk’s annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk’s annual OPEB costs, the amount actually contributed and changes in the Clerk’s net OPEB obligation to the Retiree Health Plan.

Annual Required Contribution	\$ 52,950
Interest on Net OPEB Obligation	5,270
Adjustment to Annual Required Contribution	(5,035)
Annual OPEB Cost	53,185

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Contributions Made	(11,188)
Increase in Net OPEB Obligation	41,997
Net OPEB Obligation – beginning of year	<u>131,776</u>
Net OPEB Obligation – end of year	<u>173,773</u>

The Clerk’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the year ended June 30, 2016, is as follows:

Year <u>Ended</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
6/30/14	\$ 51,480	55.1%	\$ 106,985
6/30/15	\$ 53,141	53.3%	\$ 131,776
6/30/16	\$ 53,185	21.0%	\$ 173,773

Funding Status and Funding Progress. As of June 30, 2016, the actuarial accrued liability for benefits was \$663,745, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$401,958 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 165%.

The projection of future benefit payments for an on-going plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funding status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive Plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2014, actuarial valuation, the unit credit cost method was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5.5% after 15 years. The Clerk’s unfunded actuarial liability is being amortized on a level dollar, open basis over 30 years.

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NOTE 12 – PENSION PLAN

Plan Description. Substantially all employees of the East Feliciana Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund, a cost-sharing, multiple-employer defined benefit pension plan, which was established in accordance with La. Revised Statute 11:1501 to provide regular, disability and survivor benefits for clerks of court, their deputies and other employees, and their beneficiaries.

Retirement Benefits. All regular employees who are under the age of 60 at the time of original employment are required to participate in the plan. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to $3\frac{1}{3}$ per cent of their average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. Final average compensation for those hired prior to July 1, 2006, is based on the employee's highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those hired on or after that date, in accordance with Act 273 of the 2010 regular session, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last 6 years of measurement. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. Act 273 increased retirement age to age 60 with an accrual rate of 3% for those hired on or after January 2, 2011.

Disability Benefits. The plan also provides disability benefits, established by La. R.S. 11:218. Effective through June 30, 2008, a member who has been certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

- (1) A member who is totally and permanently disabled solely as a result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of $\frac{1}{2}$ of his monthly average final compensation or, at the option of the disability retiree, $2\frac{1}{2}$ percent of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$25 for each year of his credited service or $\frac{2}{3}$ of his monthly average final compensation, whichever is less.
- (2) A member who has 10 or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to 3% of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$35 for each year of credited service or 80% of his monthly average final compensation, whichever is less.

Effective for applications approved or payable on or after June 30, 2008, employees that have been officially certified as totally and permanently disabled pursuant to La. R.S. 11:218 and either (1) the disability was caused solely as a result of injuries sustained in the performance of his/her official duties; or (2) the employee has at least 10 years of service credit are eligible for disability benefits. The

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member shall be paid the greatest of 40% of their monthly average final compensation or 75% of their monthly regular retirement benefit computed pursuant to La. R.S. 11:1521(c).

For members leaving covered employment before attaining early retirement age but after completing 12 years of credited service become eligible for a deferred allowance provided he lives to the minimum service retirement age and does not withdraw his accumulated contributions.

Survivor Benefits. If a member who has less than 5 years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If a member has 5 or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately reduced $\frac{1}{4}$ of 1% for each month by which payments commence in advance of the member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan (DROP). In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in DROP for up to 36 months and defer the receipt of benefits. During the year ended June 30, 2016, participants had to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefit that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account.

Upon termination of employment at the end of the specified period of participation, a participant may receive, at his option, a lump sum payment. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from DROP equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal methods of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. In no event can the entire monthly benefit

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amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments. The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree’s benefit or an increase of \$40 per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977, or the member’s retirement date if later. In lieu of granting a cost of living increase as described herein, the statutes allow the Board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1. In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Contributions. Contribution requirements are actuarially determined each year. For the year ending June 30, 2016, the Clerk’s rate was 19% of annual covered payroll while the employees contributed 8.25%. Contributions to the Fund also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The Clerk of Clerk’s contributions to the system for the years ending June 30, 2016, 2015 and 2014, were \$76,754, \$75,011 and \$70,633, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions. At June 30, 2016, the Clerk reported a liability of \$654,744 for its proportionate share of the Fund’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk’s proportion of the net pension liability was based on a projection of the Clerk’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Clerk’s proportion at that date was .436487%.

Pension expense of \$89,905 was recognized for the year ended June 30, 2016. Deferred outflows and inflows of resources related to pensions were reported from the following sources:

	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>
Beginning balance	\$ 252,653.00	\$ 149,365.00
Difference between expected and actual results	.00	(37,642.00)
Changes of assumptions	(89,424.62)	.00
Changes in proportion	.00	(31,700.00)
Difference in actual and projected earnings	.00	(20,551.00)
	<u>163,228.38</u>	<u>59,472.00</u>

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Actuarial Assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the entry age normal cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.0%, net of investment expenses, including inflation
Projected salary increases	5.0%
Expected remaining service lives	5 years

Mortality rates were based on the RP-2000 combined healthy mortality table (set back 4 years for males and 3 years for females) and the RP-2000 disabled lives mortality table (set back 5 years for males and 3 years for females). 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.

Discount Rate. The discount rate used to measure total pension liability was 7.0%. 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.

Sensitivity of the Clerk’s Proportionate Share of Net Pension Liability to Changes in Discount Rate. The following presents the Clerk’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what it 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:

1% decrease	6.0%	\$ 986,391
Current discount rate	7.0%	654,744
1% increase	8.0%	373,285

Additional information can be obtained in the annual publicly-available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Feliciana, Louisiana 70816, by calling (225) 293-1162 or obtained on the website – www.laclerksofcourt.org.

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JUNE 30, 2016**

NOTE 13 – DEFERRED COMPENSATION PLAN

All of the employees of the Clerk are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$16,500 per year) to the plan on a pre-tax basis. The contributions are withheld from the employee's paycheck and the Clerk matches up to \$300 per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each payday where they are deposited to an account in the employee's name. The Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2016, the Clerk's matching funds totaled \$17,657.

NOTE 14– RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 15 – LITIGATION

There is currently no pending or existing litigation on behalf of or against the Clerk.

NOTE 16 – SUBSEQUENT EVENTS

There were no events between the close of the year through November 20, 2016, the date on which the statements were available to be issued, that would materially impact these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues	\$ 25,600.00	\$ 25,600.00	\$31,250.87	\$ 5,650.87
Charges for services:				
Court costs and fees	380,000.00	380,000.00	436,904.50	56,904.50
Certified copies and data processing	85,500.00	85,500.00	146,743.40	61,243.40
Licenses	2,000.00	2,000.00	3,172.89	1,172.89
Recording fees	150,000.00	150,000.00	197,137.00	47,137.00
Interest earned	2,500.00	2,500.00	2,607.36	107.36
Other revenues	1,200.00	1,200.00	18,070.14	16,870.14
Total Revenues	646,800.00	646,800.00	835,886.16	189,086.16
<u>EXPENDITURES</u>				
General government	772,875.00	772,875.00	801,031.25	(28,156.25)
Change in Fund Balances	(126,075.00)	(126,075.00)	34,854.91	217,242.41
Fund Balances, beginning	724,771.86	724,771.86	724,771.86	-
Fund Balances, ending	598,696.86	598,696.86	759,626.77	217,242.41

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2016**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
06/30/2009	\$ -	\$ 460,759	\$ 460,759	0.00%	\$ 206,250	223.40%
06/30/2012	\$ -	\$ 663,745	\$ 663,745	0.00%	\$ 388,746	170.74%
06/30/2015	\$ -	\$ 663,745	\$ 663,745	0.00%	\$ 401,958	165.13%

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2016**

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liab (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liab (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liab (Asset) as a %age of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Pension as a %age of the Total Pension Liability</u>
2016	0.43649%	\$ 654,744	\$ 401,958	162.89%	357.20%
2015	0.43751%	\$ 641,125	\$ 397,470	161.30%	384.76%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED JUNE 30, 2016**

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a %age of Covered Employee Payroll</u>
2016	\$ 89,905	\$ 76,754	\$ 13,151	\$ 401,958	19.10%
2015	\$ 68,597	\$ 75,011	\$ (6,414)	\$ 397,470	18.87%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2016**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The budgetary comparison schedule of the General Fund (referred to by the Clerk as the Salary Fund) has been presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America.

NOTE 2 – PENSION

Changes in Benefit Terms. There was no change of benefit terms during any of the years presented.

Changes of Assumptions. Amounts reported in fiscal year June 30, 2015, by the Louisiana Clerks' of Court Retirement and Relief Fund reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate was reduced by .25% to 7% as of the valuation date June 30, 2015. Other changes are as follows:

Valuation Date	June 30, 2015	June 30, 2014
Inflation Rate	2.50%	2.75%
Project Salary Increases	5.00%	5.75%
	2% inflation	2.75% inflation
	2.5% merit	3.0% merit

SUPPLEMENTARY INFORMATION

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2016**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 210,296.52	\$ 586,613.00	\$ 796,909.52
Investments	370,000.00	-	370,000.00
Total Assets	580,296.52	586,613.00	1,166,909.52
<u>NET POSITION</u>			
Held in trust for others	580,296.52	586,613.00	1,166,909.52
Total Net Position	580,296.52	586,613.00	1,166,909.52

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>
Additions		
Interest earned	\$ 422.87	\$ 109.51
Suits and successions	444,111.08	47,440.17
	<hr/>	<hr/>
Total Additions	444,533.95	47,549.68
Deductions		
Clerk of Court's costs	295,524.35	-
Interest paid	629.43	-
Recorder fees	17,424.00	-
Settlement to litigants	76,209.12	15,167.77
Attorney, curator and notary fees	10,520.30	-
Sheriff's fees	26,819.81	-
Judges/Parish	19,127.50	-
Other reductions	7,328.03	-
	<hr/>	<hr/>
Total Deductions	453,582.54	15,167.77
Change in Net Position	(9,048.59)	32,381.91
Net Position, beginning of year	589,345.11	554,231.09
	<hr/>	<hr/>
Net Position, end of year	580,296.52	586,613.00
	<hr/> <hr/>	<hr/> <hr/>

See Independent Auditor's Report

**EAST FELICIAHA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED JUNE 30, 2016**

Agency Head

David Dart
Clerk of Court

Purpose	Amount
Salary	\$ 102,768
Supplemental pay	21,900
Benefits - retirement	38,465
Benefits - deferred compensation	9,000
Benefits - group insurance	15,706
Travel:	
Auto allowance	21,574
Expense allowance	12,993
Convention - lodging/meals	4,106
Reimbursements for office expenses	<u>2,199</u>
Total Compensation, Benefits and Other Payments	<u><u>228,711</u></u>

See Independent Auditor's Report

**WILLIAM P. GAINES, JR., CPA
A PROFESSIONAL ACCOUNTING CORPORATION
4257 CHURCH STREET, SUITE 105
ZACHARY, LOUISIANA 70791**

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

David Dart, Clerk of Court
East Feliciana Parish
P. O. Box 599
Clinton, Louisiana 70722

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-type activities and each fiduciary fund of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements, and have issued my report thereon dated November 20, 2016.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Feliciana 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 no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 the 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.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
November 20, 2016

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS
YEAR ENDED JUNE 30, 2016**

I have audited the financial statements of the East Feliciana Parish Clerk of Court as of and for the year ended June 30, 2016, and have issued my report thereon dated November 20, 2016. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2016, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Internal Control	Significant Deficiencies	<input type="checkbox"/> No
	Material weaknesses	<input type="checkbox"/> No
Compliance	Material to Financial Statements	<input type="checkbox"/> No

B. Federal Awards

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

Section IV Management Letter

None

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Compliance and Internal Control Material to Federal Awards

None

Section III Management Letter

N/A