

St. Charles Parish Clerk of Court
Hahnville, Louisiana

FINANCIAL REPORT

June 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com

**St. Charles Parish Clerk of Court
Table of Contents
June 30, 2018**

REPORT

Independent Auditors' Report	1
------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

Management's Discussion and Analysis	4
--------------------------------------	---

FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position	9
---------------------------	---

Statement of Activities	10
-------------------------	----

Fund Financial Statements:

Governmental Fund:

Balance Sheet	11
---------------	----

Reconciliation of the Balance Sheet to the Statement of Net Position	12
--	----

Statement of Revenues, Expenditures, and Changes in Fund Balance	13
--	----

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	14
--	----

Fiduciary Funds:

Statement of Assets and Liabilities	15
-------------------------------------	----

Notes to Financial Statements	16
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund Budget and Actual	36
---	----

Schedule of Changes in Net OPEB Liability and Related Ratios	37
--	----



**St. Charles Parish Clerk of Court
Table of Contents
June 30, 2018**

Schedule of Proportionate Share of Net Pension Liability for Clerk of Courts' Retirement and Relief Fund	38
Schedule of Employer Contributions to Clerk of Courts' Retirement and Relief Fund	39
Notes to Required Supplementary Information	40
OTHER SUPPLEMENTARY INFORMATION	
Fiduciary Fund Type – Agency Funds:	
Fiduciary Fund Type Descriptions	41
Combining Statement of Changes in Assets and Liabilities – Agency Funds	42
Schedule of Compensation, Benefits, and Other Payments to Agency Head	43
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44
Schedule of Findings and Responses	46



Report



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Honorable Lance Marino
St. Charles Parish Clerk of Court
Hahnville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Charles Parish Clerk of Court (the "Clerk of Court") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the 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 Clerk of Court's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Clerk of Court as of June 30, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As described in Note 10 to the financial statements, the Clerk of Court adopted Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, which resulted in a cumulative effect of change in accounting principle of (\$1,438,664) to the June 30, 2017 net position for governmental activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Proportionate Share of Net Pension Liability for Clerk of Courts' Retirement and Relief Fund, and the Schedule of Employer Contributions to Clerk of Courts' Retirement and Relief Fund on pages 4-8, 36, 37, 38, and 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The Combining Statement of

Changes in Assets and Liabilities - Agency Funds and the 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.

The Combining Statement of Changes in Assets and Liabilities - Agency Funds and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Changes in Assets and Liabilities - Agency Funds and the 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*, we have also issued our report dated December 5, 2018 on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

December 5, 2018



**Required Supplementary
Information (Part I)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the St. Charles Parish Clerk of Court's (the "Clerk of Court") financial report presents our discussion and analysis of the Clerk of Court's financial performance during the year that ended on June 30, 2018. Please read it in conjunction with the Clerk of Court's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net position of government-wide activities decreased by \$1,127,263 or (36.38%).
- The liabilities of the Clerk of Court exceeded its assets by \$4,421,222 at June 30, 2018. Of this amount, \$15,512 is invested in capital assets net of related debt. The Clerk of Court has an unrestricted net deficit of (\$4,240,982) in governmental activities.
- During the year, the Clerk of Court had expenses of \$2,166,326, which was \$183,589 less than the \$2,349,915 of revenue generated by governmental programs during the year. This contrasts to the prior year, when expenses exceeded revenues by \$338,525.
- Governmental funds reported an ending unassigned fund balance of \$427,665, which is a \$356,165 increase from the prior year ending fund balance of \$71,500.
- Total governmental fund revenues were \$2,477,727 in the current year, an increase of \$306,442 from prior year revenues.
- During the preparation of the financial statements for the year ended June 30, 2018, the Clerk of Court adopted GASB 75 related to post-employment benefits other than pension, which adjusted the beginning net position at June 30, 2018 to \$(1,438,664).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the Clerk of Court.

The first two statements are Government-Wide Financial Statements that provide both long-term and short-term information about the Clerk of Court's overall financial status.

The remaining statements are Fund Financial Statements that focus on individual funds of the Clerk of Court, reporting the Clerk of Court's operations in more detail than the Government-Wide Financial Statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements report information about the Clerk of Court as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Clerk of Court's assets and liabilities. All of the current year's revenues

and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-Wide Statements report the Clerk of Court's net position and how they have changed. The balance of net position is an indicator of the financial well-being of the Clerk of Court. Increases and decreases in net position are an indicator of whether its financial health is improving or declining.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the Clerk of Court's most significant funds – not the entity as a whole. Funds are accounting devices that governments use to keep track of specific sources of funding and spending for particular purposes. The Clerk of Court has one governmental fund, the General Fund, to account for the numerous funding sources provided annually and is presented individually in the financial statements. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods. Governmental Fund Financial Statements focus on how money flows in and out of those funds, the balances that are left at year-end, and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The relationship between governmental activities reported in the Government-Wide Financial Statements and the governmental funds reported in the Fund Financial Statements are reconciled in the Fund Financial Statements.

The Clerk of Court is the trustee, or fiduciary, for funds reserved by the Court as well as for advanced costs collected for court costs. All of these fiduciary activities are reported in a separate Statement of Assets and Liabilities. We exclude these activities from the other financial statements because the Clerk of Court cannot use these assets to finance its operations. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to 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. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Budget and Actual reports the original and final amended budget adopted by the Clerk of Court as well as the actual activities and how they compare to the final budgeted numbers.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Clerk of Court's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$4,225,470 at June 30, 2018. (\$4,240,982) of net position is an unrestricted deficit with another \$15,512 consisting of net investment in capital assets. The Clerk of Court uses these capital assets, which consist entirely of office equipment, furniture, fixtures, equipment, and automobiles as part of its daily operations. Consequently, these assets are not available for future spending. The following table reflects condensed information on the Clerk of Court's net position:

	June 30, 2018	June 30, 2017	Dollar Change	Percent Change
Current and other assets	\$ 505,233	\$ 142,445	\$ 362,788	255%
Capital assets	15,512	36,516	(21,004)	(58%)
Total assets	520,745	178,961	341,784	191%
Deferred outflow of resources - pension	401,838	800,301	(398,463)	(50%)
Total Assets and Deferred Outflow of Resources	922,583	979,262	(56,679)	(6%)
Current liabilities	82,386	76,570	5,816	8%
Noncurrent liabilities	4,859,581	3,769,462	1,090,119	29%
Total liabilities	4,941,967	3,846,032	1,095,935	28%
Deferred inflow of resources – pension and OPEB	206,086	231,437	(25,351)	(11%)
Total Liabilities and Deferred Inflows of Resources	5,148,053	4,077,469	1,070,584	26%
Net investment in capital assets	15,512	36,516	(21,004)	(58%)
Unrestricted	(4,240,982)	(3,134,723)	(1,106,259)	35%
Total Net Position	\$(4,225,470)	\$(3,098,207)	\$(1,127,263)	36%

The Clerk of Court did not have any net position subject to restrictions in the current year.

The Clerk of Court's total revenues for the year in governmental activities were \$2,477,727 (\$2,349,915 in program revenues, \$124,669 in miscellaneous revenue, and \$3,143 in general revenues). This is an increase of approximately 8% from the prior year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, St. Charles Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Looking at funds helps in considering whether

the Clerk of Court is being accountable for the resources provided to it but may also provide insight into the overall financial health.

The focus of the Clerk of Court's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Clerk of Court's financing requirements. In particular, *unassigned 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 the end of the current fiscal year, the Clerk of Court's governmental fund reported ending fund balance of \$427,665, an increase of \$356,165 in comparison with the prior year. All of the total fund balance at year end was considered to be *unassigned*.

The General Fund is the primary fund of the Clerk of Court and accounts for all of the Clerk of Court's governmental activities. As a measure of the General Fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Unassigned fund balance represents 20% of total General Fund expenditures compared to 3% in the prior year.

BUDGETARY HIGHLIGHTS

The Clerk of Court's budget is prepared according to Louisiana law. During the course of the year, the Clerk of Court revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected total revenues are less, or anticipated total expenditures are in excess, of budgetary goals by 5% or more. The original budget for the Clerk of Court was adopted in June of 2017.

A statement reporting the Clerk of Court's original and final budget compared with actual operating results is provided in the schedule on page 36.

A comparison of actual results as of June 30, 2018 and the original budget for the General Fund are as follows:

		Original Budget		Actual		Difference
Total revenues	\$	2,145,500	\$	2,477,727	\$	332,227
Total expenditures		2,122,200		2,121,562		638
Net change in fund balance	\$	23,300	\$	356,165	\$	332,865

CAPITAL ASSETS

Capital assets include office equipment, furniture, fixtures, equipment, and automobiles recorded at a historical cost of \$919,800. Accumulated depreciation as of June 30, 2018 of \$904,288 recorded from the cost of assets resulted in an ending book balance of \$15,512.

This year there were no additions and no disposals recorded to capital assets. Depreciation expense of \$21,004 was recorded for the year. More detailed information about the capital assets is presented in Note 4 to the financial statements.

ECONOMIC AND OTHER FACTORS BEARING ON THE CLERK'S FUTURE

Historically, the Clerk of Court's office staff and costs remain relatively stable year to year. In the current year, there was a slight increase in personnel salaries and related benefits, which can be attributed to annual raises in Clerk of Court personnel in the current year. The Clerk of Court's office had an increase in program revenues in the current year due to recently enacted legislation, which also led to a greater increase in fund balance in the current year. The Clerk of Court's office anticipates for expenses and revenues to remain consistent in the subsequent year.

REQUESTS FOR INFORMATION

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

Honorable Lance Marino
St. Charles Clerk of Court
P.O. Box 424
Hahnville, Louisiana 70057
985-783-6632



Financial Statements

St. Charles Parish Clerk of Court
Statement of Net Position
June 30, 2018

	Governmental Activities	
Assets		
Cash and cash equivalents	\$	389,585
Certificates of deposit		100,000
Receivables		15,648
Capital assets being depreciated, net		15,512
Total Assets		520,745
Deferred Outflows of Resources		
Pension deferrals		401,838
Total Deferred Outflows of Resources		401,838
Liabilities		
Accounts payable and other current liabilities		77,568
Long term liabilities:		
Due in one year		4,818
Due in more than one year		4,859,581
Total Liabilities		4,941,967
Deferred Inflows of Resources		
Pension deferrals		168,252
OPEB deferrals		37,834
Total Deferred Inflows of Resources		206,086
Net Position		
Net investment in capital assets		15,512
Unrestricted		(4,240,982)
Total Net Position		\$ (4,225,470)

The accompanying notes are an integral part of this statement.

**St. Charles Parish Clerk of Court
Statement of Activities
For the Year Ended June 30, 2018**

Function/Programs	Expenses	Charges for Services	Program Revenues	Net (Expense) Revenue and Change in Net Position
Governmental Activities				
General government	\$ 2,166,326	\$ 2,349,915		\$ 183,589

General revenues:	
Miscellaneous revenue	124,669
Interest and investment earnings	3,143
<hr/>	
Change in net position	311,401
<hr/>	
Net position - beginning of year	(3,098,207)
Cumulative effect of change in accounting principle (Note 10)	(1,438,664)
<hr/>	
Net position - beginning of year (as restated)	(4,536,871)
<hr/>	
Net position - end of year	\$ (4,225,470)

The accompanying notes are an integral part of this statement.

St. Charles Parish Clerk of Court
Balance Sheet
Governmental Fund
June 30, 2018

	General Fund
Assets	
Cash and cash equivalents	\$ 389,585
Certificates of deposit	100,000
Accounts receivable	15,648
Total Assets	\$ 505,233
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 77,568
Total Liabilities	77,568
Fund balance:	
Unassigned	427,665
Total Fund Balance	427,665
Total Liabilities and Fund Balance	\$ 505,233

The accompanying notes are an integral part of this statement.

St. Charles Parish Clerk of Court
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2018

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

Fund balance, total governmental fund	\$	427,665
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.</p>		
Governmental capital assets		919,800
Less accumulated depreciation		<u>(904,288)</u>
		15,512
Deferred outflows of resources for pension related deferrals		401,838
Deferred inflows of resources for pension related deferrals		(168,252)
Deferred inflows of resources for OPEB related deferrals		(37,834)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund:</p>		
Compensated absences		(21,478)
Net pension liability		(1,762,011)
Net OPEB liability		<u>(3,080,910)</u>
		<u>(4,864,399)</u>
Net position of governmental activities	\$	<u>(4,225,470)</u>

The accompanying notes are an integral part of this statement.

St. Charles Parish Clerk of Court
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2018

Revenues

Fees, charges, and commissions:	
Court costs, fees, and charges	\$ 1,256,653
Recording legal documents	837,607
Certified copies	150,904
Subscriptions	168,470
Intergovernmental revenues	60,000
Interest	3,143
Other income	950
<hr/>	
Total Revenues	2,477,727
<hr/>	

Expenditures

Current:	
General government:	
Personnel salaries and related benefits	1,775,852
Operating services	198,507
Materials and supplies	55,983
Professional fees	84,602
Other	6,618
<hr/>	
Total Expenditures	2,121,562
<hr/>	
Net change in fund balance	356,165
Fund balance - beginning of year	71,500
<hr/>	
Fund balance - end of year	\$ 427,665
<hr/>	

The accompanying notes are an integral part of this statement.

St. Charles Parish Clerk of Court

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance to the Statement of Activities
For the Year Ended June 30, 2018**

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

Net change in fund balance, total governmental fund	\$ 356,165
---	------------

Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Depreciation expense	(21,004)
----------------------	----------

In the Statement of Activities, certain pension-related outflows and
inflows of resources are recognized in the current year, while
others are deferred. The net effect of these pension-related
transactions are as follows:

Current year pension (expense) per the retirement system	(241,424)
Current year amortization of certain deferred outflows and inflows	(2,638)
Deferral of current year pension contributions made by employer	203,771
Recognition of on-behalf payments made to pension plan by non-employer entities	124,669

In the Statement of Activities, certain OPEB-related outflows and
inflows of resources are recognized in the current year, while
others are deferred. The net effect of these OPEB-related
transactions are as follows:

Current year OPEB expense	(172,617)
Benefit payments per the OPEB plan	64,323

In the Statement of Activities, compensated absences are measured
by the amounts earned during the year. In the governmental funds,
however, expenditures for these items are measured by the amount
of financial resources used (amounts actually paid). The amount
of compensated absences used exceeded the amounts earned by:

of compensated absences used exceeded the amounts earned by:	156
--	-----

Change in net position of governmental activities	\$ 311,401
---	------------

St. Charles Parish Clerk of Court
Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 1,354,577
Certificates of deposit	3,089,189
<hr/>	
Total Assets	\$ 4,443,766
<hr/> <hr/>	
Liabilities	
Due to litigants and others	\$ 4,443,766
<hr/>	
Total Liabilities	\$ 4,443,766
<hr/> <hr/>	

The accompanying notes are an integral part of this statement.

St. Charles Parish Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Charles Parish Clerk of Court (the "Clerk of Court") have been prepared in conformity with 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 more significant of the Clerk of Court's accounting policies are described below.

Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is solely responsible for the operations of their office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the St. Charles Parish Council (the "Parish") School Board, other independently elected officials, and municipalities within St. Charles Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Clerk of Court. The effect of interfund activity has been removed from these statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

St. Charles Parish Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Governmental Funds:

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 of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Funds:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund - accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund - accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.



St. Charles Parish Clerk of Court Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk of Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required by accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgetary Accounting

A proposed budget is prepared by the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted. All budgetary appropriations lapse at the end of each fiscal year.

The budget is adopted on a basis consistent with GAAP. Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, cash includes all demand, savings accounts, and certificates of deposit with less than three months of maturity of the Clerk of Court.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include furniture, equipment, and automobiles, are reported in the governmental activities column in the government-wide financial statements. 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 of Court maintains a threshold level of \$2,000 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of assets are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the accompanying Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Office equipment	5-7 years
Furniture, fixtures, and equipment	7-10 years
Automobiles	5 years

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Clerk of Court has one item that meets this criterion, pension related deferrals. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Clerk of Court has two items that meet the criterion for this category, pension related deferrals and OPEB related deferrals.

Compensated Absences

The Clerk of Court accrues accumulated personal leave and associated employee related costs when earned (or estimated to be earned) by the employee. The compensated absence liability for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees of the Clerk of Court's office are granted from 16 to 30 days of personal leave each calendar year, depending on their length of service. Any "comp-time" earned due to employees working overtime is added to the personal leave time. At resignation or retirement, employees receive one day's pay for every two days of personal leave earned and unused.

Net Position Classifications

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

- a. Net Investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net positions with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance

Fund balance for the Clerk of Court's governmental funds is reported depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
- e. Unassigned - amounts that are available for any purpose.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions including allowance for bad debts. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

Future Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. This standard is effective for the year ending June 30, 2020.

Management is still determining the impact that this standard will have on the Clerk of Court’s financial statements.

Pensions

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 the Clerk of Courts’ Retirement and Relief Fund (“the Fund”) and additions to/deductions from the Fund’s fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post Employment Benefits

For purposes of measuring, the St. Charles Parish Clerk of Court Other Post-Employment Benefits Plan (the OPEB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Subsequent Events

Subsequent events have been evaluated through December 5, 2018, the date the financial statements were available to be issued, and no events material to the financial statements were noted for disclosure.

NOTE 2: CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2018, the Clerk of Court had the following cash and certificates of deposit as follows:

Governmental Funds	\$	489,585
Fiduciary Funds		4,443,766
<hr/>		
Total	\$	4,933,351

Under State law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair 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. At year-end, the bank balance was fully secured by the amount insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the Clerk of Court's agent in the Clerk of Court's name.

NOTE 3: RECEIVABLES

The accounts receivable in the governmental fund of \$15,648 consists of amounts due from attorneys for recording court fees and expenses related to cases in progress, and from abstractors for certified copies.

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 4: CAPITAL ASSETS

A summary of changes in governmental fund type capital assets for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions	Disposals	Balance June 30, 2018
Furniture, fixtures, & equipment	\$ 246,899	\$ -	\$ -	\$ 246,899
Office equipment	646,119	-	-	646,119
Automobile	26,782	-	-	26,782
Less: accumulated depreciation	(883,284)	(21,004)	-	(904,288)
Net Capital Assets	\$ 36,516	\$(21,004)	\$ -	\$ 15,512

Depreciation expense of \$21,004 was charged to the general government function.

NOTE 5: PENSION PLAN

Plan Description

The Louisiana Clerks' of Court Retirement and Relief Fund (the "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's 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.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

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 member's average final compensation multiplied by the number of years of credited service, not to

NOTE 5: PENSION PLAN (CONTINUED)

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 to age 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.

Disability Benefits

Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

- 1) A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- 2) A member who has ten 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 three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008. A member is eligible to receive disability

NOTE 5: PENSION PLAN (CONTINUED)

retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

- The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- The member has at least ten years of service credit.
- A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:
 - 1) forty percent of their monthly average final compensation.
 - 2) Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).
- 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.

Survivor's Benefits

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. 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 are to 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 with benefits reduced 1/4 of 1% for each month by which payments commence in advance of 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 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.

NOTE 5: PENSION PLAN (CONTINUED)

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. During the year ended June 30, 2007 participants had to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the DROP, 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 benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. 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 the DROP fund 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 method 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 thirty-six months. In no event can the entire monthly benefit 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 forty dollars per month. The Louisiana Revised 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 above, the Louisiana Revised 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.

NOTE 5: PENSION PLAN (CONTINUED)

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

According to State statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2018, the actual employer contribution rate was 19.00%. For the year ended June 30, 2017, the actuarially determined employer contribution rate was 16.99%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

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 of Court reported a liability of \$1,762,011 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 Clerk of Court's proportion of the Net Pension Liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Clerk of Court's proportion was 1.164632%, which was a decrease of 0.01466% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk of Court recognized pension expense of \$241,424 plus the Clerk of Court's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$2,638.

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 5: PENSION PLAN (CONTINUED)

At June 30, 2018, the Clerk of Court 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	\$ 53,361	\$ (46,236)
Net difference between projected and actual earnings on pension plan investments	24,131	-
Change in assumptions	76,847	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	43,728	(122,016)
Employer contributions subsequent to the measurement date	203,771	-
Total	\$ 401,838	\$ (168,252)

Deferred outflows of resources of \$203,771 related to pensions resulting from the Clerk of Court's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:	
2018	\$ (52)
2019	50,502
2020	46,116
2021	(66,751)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.00%, net of investment expense, including inflation
Projected salary increases	5.00%

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 5: PENSION PLAN (CONTINUED)

Mortality rates	RP-2000 Employee Mortality Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table(set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table(set forward 1 year for males)
Expected remaining service lives	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 2016 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014 unless otherwise specified.

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 7.00% for the year ended June 30, 2016.

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 5: PENSION PLAN (CONTINUED)

The rate of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plans fixed income	15.00%	2.25%
Domestic Equity:		
Large cap domestic equity	21.00%	5.25%
Non-large cap domestic equity	7.00%	5.00%
International Equity:		
Large cap international equity	14.00%	5.25%
Small cap international equity	6.50%	5.25%
Emerging markets	6.50%	7.25%
Real Estate	10.00%	4.50%
Master Limited Partnerships	5.00%	7.00%
Hedge Funds	10.00%	3.00%
Totals	100.00%	

Discount Rate

The discount 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.

Sensitivity of the Clerk of Court's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Clerk of Court's proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the Clerk of Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 5: PENSION PLAN (CONTINUED)

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Clerk of Court's proportionate share of the net pension liability	\$ 2,696,510	\$ 1,762,011	\$ 968,656

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Clerk of Court recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, the Clerk of Court recognized revenue as a result of support received from non-employer contributing entities of \$124,669 for its participation in the Clerk of Courts' Pension and Relief Fund.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Clerk of Courts' Retirement and Relief Fund Audit Report at www.la.gov. The Clerk of Courts' Retirement and Relief Fund issues a publicly available audit report that includes financial statements and required supplementary information.

Payables to the Pension Plan

Payables to the Pension Plan for contractually required contributions were \$24,158 as of June 30, 2018. Outstanding balances will be applied to the Clerk of Court's required monthly contribution.

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN

General Information about the OPEB Plan

Plan description – The St. Charles Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The St. Charles Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (Continued)

Benefits Provided – Medical, dental, vision and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical, dental, and vision coverage for the retiree and 50% for the dependent. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 25 years of service; or, attainment of age 60 and 20 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	26
	39

Total OPEB Liability

The Clerk’s total OPEB liability of \$3,080,910 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.87%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 3,010,450
Changes for the year:	
Service cost	55,939
Interest	118,669
Differences between expected and actual experience	(39,825)
Benefit payments and net transfers	(64,323)
Net changes	70,460
 Balance at June 30, 2018	 \$ 3,080,910

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 (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Total OPEB liability	\$ 3,725,733	\$ 3,080,910	\$ 2,588,522

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 healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 2,695,879	\$ 3,080,910	\$ 3,579,820

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (Continued)

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 \$171,233. 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 experience	\$ -	\$ (37,834)
Total	\$ -	\$ (37,834)

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

Years ending June 30:	
2019	(1,991)
2020	(1,991)
2021	(1,991)
2022	(1,991)
2023	(1,991)
Thereafter	(27,878)

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities of the Clerk of Court for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due within one year
Compensated absences	\$ 21,634	\$ 44,720	\$ (44,876)	\$ 21,478	\$ 4,818
Net pension liability	2,181,667	-	(419,656)	1,762,011	-
Net OPEB liability (as restated)	3,010,450	174,608	(104,148)	3,080,910	-
Total long-term liabilities	\$ 5,213,751	\$ 219,328	\$ (568,680)	\$ 4,864,399	\$ 4,818

**St. Charles Parish Clerk of Court
Notes to Financial Statements**

NOTE 8: DEFERRED COMPENSATION PLAN

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

Participants can contribute up to a maximum of 100% of compensation, not to exceed \$18,000 beginning in the 2015 calendar year. Additionally, if age 50 or older, participants may elect the Age 50+ provision to defer an additional \$6,000 beginning in 2015 above the annual deferral limit.

The Clerk of Court agreed to match each participant's contribution up to a maximum of 6% for the year ended June 30, 2018. Total contributions made by the Clerk of Court on behalf of the employees for the year ended June 30, 2018 were \$48,150. Withdrawals from the plan occur at retirement, separation from service, death, or proven financial hardship (unforeseeable emergency as defined by the Plan).

NOTE 9: EXPENDITURES PAID BY ST. CHARLES PARISH COUNCIL

The Clerk of Court's office is located in the St. Charles Parish courthouse. The expenditures for maintenance and operation of the courthouse and Clerk of Court's office are paid by the Parish and are not included in the accompanying financial statements. For the year ended June 30, 2018, the amount of these expenditures paid by the Parish was \$196,210 for professional services, \$8,015 for non-consumable office supplies, \$7,543 for improvements other than buildings, and \$7,592 for major repairs.

NOTE 10: CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT

During the preparation of the financial statements for the year ended June 30, 2018, the Clerk of Court adopted GASB 75 related to post-employment benefits other than pension, which had the following impact on the beginning net position at June 30, 2018:

	Governmental Activities
Net Position- June 30, 2017	\$(3,098,207)
Prior Period Adjustments:	
Cumulative effect of changes in accounting principle:	
GASB 75- Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions	(1,438,664)
Net Position- as restated	\$(4,536,871)



**Required Supplementary
Information (Part II)**

St. Charles Parish Clerk of Court
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fees, charges and commissions:				
Court costs, fees and charges	\$ 1,299,800	\$ 1,299,800	\$ 1,256,653	\$ (43,147)
Fees for recording				
legal documents	618,800	618,800	837,607	218,807
Fees for certified copies	171,700	171,700	150,904	(20,796)
Subscriptions	-	-	168,470	168,470
Other income	51,000	51,000	60,950	9,950
Interest	4,200	4,200	3,143	(1,057)
Total Revenues	2,145,500	2,145,500	2,477,727	332,227
Expenditures				
Current:				
General government:				
Personnel services and related benefits	1,723,162	1,723,162	1,775,852	(52,690)
Operating services	268,738	268,738	198,507	70,231
Materials and supplies	85,500	85,500	55,983	29,517
Professional fees	44,800	44,800	84,602	(39,802)
Other	-	-	6,618	(6,618)
Total Expenditures	2,122,200	2,122,200	2,121,562	638
Net Change in Fund Balance	23,300	23,300	356,165	332,865
Fund Balances, Beginning of Year	71,500	71,500	71,500	-
Fund Balances, End of Year	\$ 94,800	\$ 94,800	\$ 427,665	\$ 332,865

The accompanying notes are an integral part of the required supplementary information.

St. Charles Parish Clerk of Court
Schedule of Changes in Net OPEB Liability
and Related Ratios
For the Year Ended June 30, 2018

Total OPEB Liability		
Service cost	\$	55,939
Interest		118,669
Changes of benefit terms		-
Differences between expected and actual experience		(39,825)
Changes of assumptions		-
Benefit payments		(64,323)
		<hr/>
Net change in total OPEB liability		70,460
Total OPEB liability - beginning		<hr/> 3,010,450
Total OPEB liability - ending		<hr/> <u>\$ 3,080,910</u>
Covered-employee payroll	\$	1,134,049
Net OPEB liability as a percentage of covered-employee payroll		271.67%

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

St. Charles Parish Clerk of Court
Schedule of Proportionate Share of Net Pension Liability
for Clerk of Courts' Retirement and Relief Fund
Last Four Fiscal Years

For the Year Ended June 30,	Clerk of Court's proportion of the net pension liability (asset)	Clerk of Court's proportionate share of the net pension liability (asset)	Clerk of Court's covered payroll	Clerk of Court's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	1.164632%	\$ 1,762,011	\$ 1,050,656	167.71%	79.69%
2017	1.179296%	2,181,667	1,076,394	202.68%	74.17%
2016	1.145631%	1,718,483	1,036,731	165.76%	78.13%
2015	1.312241%	1,770,032	851,075	207.98%	79.37%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

**St. Charles Parish Clerk of Court
Schedule of Employer Contributions to Clerk of Courts'
Retirement and Relief Fund
Last Four Fiscal Years**

For the Year Ended June 30,	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Clerk of Court's covered payroll	Contributions as a percentage of covered payroll
2018	\$ 203,771	\$ 203,771	\$ -	\$ 1,073,591	19.00%
2017	199,625	199,625	-	1,050,656	19.00%
2016	204,160	204,160	-	1,076,394	19.00%
2015	196,911	196,911	-	1,036,731	19.00%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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



St. Charles Parish Clerk of Court
Notes to Required Supplementary Information

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Budgets for the General Fund are legally adopted by the Clerk of Court on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2: NET PENSION LIABILITY

Changes of Assumptions

The valuation interest rate was reduced from 7.25% to 7.00%, and the salary increase assumption was reduced from 5.5% to 5.0% for the year ended June 30, 2015 valuation. The inflation rate was reduced from 2.75% to 2.5% for the year ended June 30, 2014 valuation. In addition, technical changes were made to the software modeling of plan benefits. There were no changes in assumption for the years ended June 30, 2016, and 2017 valuations.



**Other Supplementary
Information**



St. Charles Parish Clerk of Court Fiduciary Fund Type Descriptions

Agency Funds

Advance Deposit Fund - Accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund - Accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

**St. Charles Parish Clerk of Court
Combining Statement of Changes in
Assets and Liabilities- Agency Funds
For the Year Ended June 30, 2018**

	June 30, 2017	Additions	Deductions	June 30, 2018
Advanced Deposit Fund:				
Assets				
Cash and cash equivalents	\$ 794,106	\$ 1,264,360	\$ 1,416,973	\$ 641,493
Certificates of deposit	570,002	-	-	570,002
Total assets	\$ 1,364,108	\$ 1,264,360	\$ 1,416,973	\$ 1,211,495
Liabilities				
Due to litigants and others	\$ 1,364,108	\$ 1,264,360	\$ 1,416,973	\$ 1,211,495
Total liabilities	\$ 1,364,108	\$ 1,264,360	\$ 1,416,973	\$ 1,211,495
Registry of Court:				
Assets				
Cash and cash equivalents	\$ 994,427	\$ 152,193	\$ 433,536	\$ 713,084
Certificates of deposit	2,517,686	1,501	-	2,519,187
Total assets	\$ 3,512,113	\$ 153,694	\$ 433,536	\$ 3,232,271
Liabilities				
Due to litigants and others	\$ 3,512,113	\$ 153,694	\$ 433,536	\$ 3,232,271
Total liabilities	\$ 3,512,113	\$ 153,694	\$ 433,536	\$ 3,232,271
Total Agency Funds:				
Assets				
Cash and cash equivalents	\$ 1,788,533	\$ 1,416,553	\$ 1,850,509	\$ 1,354,577
Certificates of deposit	3,087,688	1,501	-	3,089,189
Total assets	\$ 4,876,221	\$ 1,418,054	\$ 1,850,509	\$ 4,443,766
Liabilities				
Due to litigants and others	\$ 4,876,221	\$ 1,418,054	\$ 1,850,509	\$ 4,443,766
Total liabilities	\$ 4,876,221	\$ 1,418,054	\$ 1,850,509	\$ 4,443,766

St. Charles Parish Clerk of Court
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2018

Agency Head Name: Lance Marino, Clerk of Court

PURPOSE	Amount
Salary	\$ 160,019
Benefits-health insurance	16,825
Benefits-retirement	43,425
Deferred compensation	-
Workers' compensation	-
Benefits-life insurance	-
Benefits-long term disability	648
Benefits-FICA & Medicare	2,321
Car allowance	19,635
Vehicle provided by government	-
Cell phone	1,545
Dues	-
Vehicle repairs	3,205
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	2,569
Unvouchered expenses	-
Meetings & conventions	-
Other	-



**Reports Required By
*Government Auditing
Standards***

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

Honorable Lance Marino
St. Charles Parish Clerk of Court
Hahnville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Charles Parish Clerk of Court (the "Clerk of Court"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated December 5, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Clerk of Court's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

December 5, 2018

SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the St. Charles Parish Clerk of Court (the "Clerk of Court").
2. No deficiencies in internal control over financial reporting are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Clerk of Court, which is required to be reported in accordance with *Governmental Auditing Standards*, was disclosed during the audit.
4. A management letter was not issued for the year ended June 30, 2018.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Lance Marino
St. Charles Parish Clerk of Court
Hahnville, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Charles Parish Clerk of Court (the "Clerk") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 1, 2017 through June 30, 2018. The Clerk is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the Clerk's written policies and procedures and observe that they address each of the following categories and subcategories:

- a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were found as a result of applying the procedure.

- 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.

Results: No exceptions were found as a result of applying the procedure.

- c) *Disbursements*, including processing, reviewing, and approving.

Results: No exceptions were found as a result of applying the procedure.

- d) *Receipts/Collections*, including receiving, recording, and preparing deposit. Also. Policies and procedures should include management's actions to determine completeness of all collections for each type of revenue or agency fund additions.

Results: No exceptions were found as a result of applying the procedure.

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: No exceptions were found as a result of applying the procedure.

- 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.

Results: We noted that the contracting policy did not include the standard terms and conditions.

- 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.

Results: No exceptions were found as a result of applying the procedure.

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were found as a result of applying the procedure.

- 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 Clerk's ethics policy.

Results: We noted that the ethics policy did not include the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, or the actions to be taken if an ethics violation takes place.

Collections

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites.

Results: No exceptions were found as a result of applying the procedure.

3. 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, obtain and inspect written policies and procedures relating to employee 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.

Results: No exceptions were found as a result of applying the procedure.

- 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 to the deposit.

Results: No exceptions were found as a result of applying the procedure.

- 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.

Results: No exceptions were found as a result of applying the procedure.

- 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.

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

- 5. Select the Clerk's main operating account and randomly select 4 additional accounts. Randomly select two deposit dates for each of the 5 bank accounts selected. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were found as a result of applying the procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions were found as a result of applying the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were found as a result of applying the procedure.

- 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).

Results: No exceptions were found as a result of applying the procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedure.

Non-Payroll Disbursements (excluding credit card/debit card/fuel card/P-Card purchases or payments)

- 6. 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.

Results: No exceptions were found as a result of applying the procedure.

7. For each location selected under #6 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Results: No exceptions were found as a result of applying the procedure.
 - b) At least two employees are involved in processing and approving payments to vendors.
Results: No exceptions were found as a result of applying the procedure.
 - 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.
Results: No exceptions were found as a result of applying the procedure.
 - 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.
Results: No exceptions were found as a result of applying the procedure.
8. For each location selected under #6 above, obtain the Clerk'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.
Results: No exceptions were found as a result of applying the procedure.
 - b) Observe that the disbursement documentation included evidence of segregation of duties tested under #7, as applicable.
Results: No exceptions were found as a result of applying the procedure.

Payroll and Personnel

9. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Results: No exceptions were found as a result of applying the procedure.
10. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave.
Results: No exceptions were found as a result of applying the procedure.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Results: No exceptions were found as a result of applying the procedure.

- c) Observe that any leave accrued or taken during the pay period is reflected in the Clerk's cumulative leave records.

Results: No exceptions were found as a result of applying the procedure.

- 11. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: No exceptions were found as a result of applying the procedure.

- 12. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the procedure.

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

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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.

Carly Riggs & Ingram, L.L.C.

December 5, 2018



LANCE MARINO

CLERK OF COURT AND EX-OFFICIO RECORDER
PARISH OF ST. CHARLES
P.O. BOX 424
HAHNVILLE, LOUISIANA 70057
TELEPHONE: (985) 783-6632

12/5/2018

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
St. Charles Clerk of Court

Dear Sirs:

St. Charles Clerk of Court has reviewed the policies and procedures in regard to the comments for each financial function and made appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

Lance Marino
St. Charles Parish
Clerk of Court