

**LASALLE PARISH CLERK OF COURT
JENA, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2018**

LaSalle Parish Clerk of Court
Jena, Louisiana

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LaSalle Parish Clerk of Court
Jena, Louisiana

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LaSalle Parish Clerk of Court
Jena, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

As management of the LaSalle Parish Clerk of Court, we offer readers of the Clerk's financial statements this narrative overview and analysis of the financial activities of the Clerk for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Clerk's financial statements, which are attached.

Financial Highlights

(GWFS)

- The liabilities of the governmental activities of the Clerk exceeded its assets at the close of the most recent fiscal year by \$1,857,973 (net position). This is due to Other Post-Employment Benefits and Net Pension Liability.
- In the governmental activities, the Clerk's office had total revenues of \$759,889 and total expenses of \$729,165.

(FFS)

- In the General Fund the Clerk's office has total revenues and other financing sources of \$728,149 and total expenditures of \$684,034 which increased the fund balance by \$44,115 to a balance of \$118,321.

(Agency Funds)

- The Agency Funds have total assets of \$441,177.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The Clerk's basic financial statements consist of the Statement of Net Position, Statement of Activities, Balance Sheet, Statement of Revenue, Expenditures and Changes in Fund Balance, and the Notes to the Basic Financial Statements.

The Clerk's overall financial position and operations for the past two years are summarized below on the information shown in the current and prior year financial statements.

**Statement of Net Position
Governmental Activities**

<u>Category</u>	<u>2018</u>	<u>2017</u>	<u>Amount of Change</u>
Cash & Cash Equivalents	\$ 109,499	\$ 56,932	\$ 52,567
Receivables	23,264	18,794	4,470
Capital Assets, Net	12,501	16,055	(3,554)
Prepaid Expense	<u>9,917</u>	<u>9,715</u>	<u>202</u>
Total Assets	<u>\$ 155,181</u>	<u>\$ 101,496</u>	<u>\$ 53,685</u>
Deferred Outflows of Resources	<u>\$ 121,958</u>	<u>\$ 218,422</u>	<u>\$ (96,464)</u>
Accounts Payable	\$ 3,657	\$ 6,026	\$ (2,369)
Payroll & Related Liabilities	20,702	5,209	15,493
Other Post-Employment Benefits	1,611,704	1,060,882	550,822
Net Pension Liability	<u>448,603</u>	<u>538,700</u>	<u>(90,097)</u>
Total Liabilities	<u>\$ 2,084,666</u>	<u>\$ 1,610,817</u>	<u>\$ 473,849</u>
Deferred Inflows of Resources	<u>\$ 50,446</u>	<u>\$ 59,523</u>	<u>\$ (9,077)</u>
Net Investment in Capital Assets	\$ 12,501	\$ 16,055	\$ (3,554)
Unrestricted Net Position	<u>(1,870,474)</u>	<u>(1,366,477)</u>	<u>(503,997)</u>
Total Net Position	<u>\$(1,857,973)</u>	<u>\$(1,350,422)</u>	<u>\$(507,551)</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund**

<u>Category</u>	<u>2018</u>	<u>2017</u>	<u>Amount of Change</u>
Revenues	\$728,149	\$701,479	\$26,670
Expenditures	<u>684,034</u>	<u>673,193</u>	<u>10,841</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 44,115	\$ 28,286	\$15,829
Fund Balance-Beginning	<u>74,206</u>	<u>45,920</u>	<u>28,286</u>
Fund Balance-Ending	<u>\$118,321</u>	<u>\$ 74,206</u>	<u>\$44,115</u>

Government-Wide Statements

The government-wide statements report information about the LaSalle Parish 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 government'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 LaSalle Parish Clerk of Court's net position and how it has changed. Net position equals the difference between the government's assets and liabilities.

- Over time, increases or decreases in the Clerk's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the government, one needs to consider additional non-financial factors such as changes in the Clerk's revenue sources.

The government-wide financial statements of the LaSalle Parish Clerk of Court include the *Governmental Activities*. Most of the Clerk's basic services are included here, such as legal recordings and filings.

Fund Financial Statements

The fund financial statements provide more detailed information about the LaSalle Parish Clerk of Court's most significant fund - not the government as a whole. Funds are accounting devices that the Clerk uses to keep track of specific sources of funding and spending for particular purposes.

The LaSalle Parish Clerk of Court has the following types of funds:

- *Governmental Funds* - Most of the Clerk's basic services are included in governmental funds, which focus on (a) how cash and other financial assets can readily be converted to cash flow in and out and (b) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. Because this information does not encompass the additional long-term focus of the governmental-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary Funds* - The Clerk is the trustee, or fiduciary, for certain funds. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Clerk's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the Clerk's governmental-wide financial statements because the Clerk cannot use these assets to finance its operations.

General Budgetary Highlights

There was an amendment to the budget due to unexpected increase in charges for services and increases in expenditures. For the year ended June 30, 2018, both revenues and expenditures were within the 5% variance allowed.

Contacting the LaSalle Parish Clerk of Court

This financial report is designed to provide a general overview of the LaSalle Parish Clerk of Court's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

LaSalle Parish Clerk of Court
P. O. Box 1316
Jena, LA 71342

Johnson, Thomas & Cunningham

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INDEPENDENT AUDITOR'S REPORT

Honorable Steve D. Andrews
LaSalle Parish Clerk of Court
Jena, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes 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, major fund and fiduciary funds information of the Clerk 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

As described in Note 1 to the financial statements, the Clerk has adopted the provisions of GASB Statement 75 *Actuarial Valuation of Other Post-employment Benefits – Amendment of GASB Statement 45*. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information and the Statement of Changes in Fiduciary Net Position listed as supplementary information in the Table of Contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and the Statement of Changes in Fiduciary Net Position are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the 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 November 8, 2018, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated November 8, 2018 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

November 8, 2018
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash	\$ 109,499
Revenue Receivable	23,264
Prepaid Expense	<u>9,917</u>
Total Current Assets	\$ 142,680
Noncurrent Assets-	
Capital Assets, Net	<u>12,501</u>
Total Assets	\$ <u>155,181</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension	\$ <u>121,958</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 3,657
Payroll Related Liabilities	<u>20,702</u>
Total Current Liabilities	\$ <u>24,359</u>
Long-Term Liabilities-	
Other Post-Employment Benefits	\$ 1,611,704
Net Pension Liability	<u>448,603</u>
Total Long-Term Liabilities	\$ <u>2,060,307</u>
Total Liabilities	\$ <u>2,084,666</u>
DEFERRED INFLOWS OF RESOURCES:	
OPEB	\$ 9,269
Pension	<u>41,177</u>
Total Deferred Inflows of Resource	\$ <u>50,446</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 12,501
Unrestricted Net Position	<u>(1,870,474)</u>
Total Net Position	\$ <u>(1,857,973)</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Activities
June 30, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$729,165</u>	<u>\$678,874</u>	<u>\$23,400</u>	<u>\$0</u>	<u>\$ (26,891)</u>
		General Revenues:			
					\$ 20,771
					561
					31,740
					<u>4,543</u>
				Total General Revenues	<u>\$ 57,615</u>
				Change in Net Position	\$ 30,724
				Net Position June 30, 2017 (Restated see Note 1)	<u>(1,888,697)</u>
				Net Position June 30, 2018	<u>\$(1,857,973)</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Balance Sheet-Governmental Fund
June 30, 2018

ASSETS:

Cash	\$109,499
Revenue Receivable	23,264
Prepaid Expense	<u>9,917</u>
Total Assets	<u>\$142,680</u>

LIABILITIES:

Accounts Payable	\$ 3,657
Payroll & Related Liabilities	<u>20,702</u>
Total Liabilities	<u>\$ 24,359</u>

FUND BALANCES:

Nonspendable- Prepaid Expense	\$ 9,917
Unassigned	<u>108,404</u>
Total Fund Balance	<u>\$118,321</u>
Total Liabilities & Fund Balance	<u>\$142,680</u>

See notes to financial statements.

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

Total Fund Balance for the Governmental Fund at June 30, 2018		\$ 118,321
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Furniture, Fixtures, and Equipment	\$ 264,984	
Less, Accumulated Depreciation	<u>(252,483)</u>	12,501
Deferred Outflows of Resources used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Fund Balance Sheet		121,958
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet		
Other Post-Employment Benefits		(1,611,704)
Net Pension Liability		(448,603)
Deferred Inflows of Resources are not due and payable in the current period and, therefore are not reported in the Governmental Fund Balance Sheet		<u>(50,446)</u>
Total Net Position of Governmental Activities at June 30, 2018		<u><u>\$(1,857,973)</u></u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
June 30, 2018

Revenues:	
Licenses & Permits	\$ 3,495
Charges for Services	675,379
Intergovernmental-	
Local	20,771
Supplemental Compensation Fund	23,400
Miscellaneous-	
Interest	561
Miscellaneous	<u>4,543</u>
Total Revenues	<u>\$728,149</u>
Expenditures:	
Judicial-	
Current-	
Personnel Services	\$586,576
Operating Services	59,906
Operating Supplies	31,737
Miscellaneous	4,819
Capital Expenditures	<u>996</u>
Total Expenditures	<u>\$684,034</u>
Excess of Revenues Over Expenditures	\$ 44,115
Fund Balance-Beginning of Year	<u>74,206</u>
Fund Balance-End of Year	<u>\$118,321</u>

See notes to financial statements.

LaSalle Parish Clerk of Court
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended June 30, 2018

Total Net Change in Fund Balance
at June 30, 2018, per Statement of Revenues,
Expenditures and Changes in Fund Balance \$ 44,115

The Change in Net Position
reported for Governmental Activities
in the Statement of Activities is different because:

Revenues in the Statement of Activities that do not provide
current financial resources are not reported as revenues in the
Statement of Revenues, Expenditures and Changes in Fund
Balance

Non-Employer Pension Revenue 31,740

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. These amounts are:

Capital Assets 996
Depreciation Expense (4,550)

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and are not
reported as expenditures in the Statement of Revenues,
Expenditures, and Changes in Fund Balance-

Change in Other Post-Employment Benefits (21,816)
Change in Pension Expense (19,761)

Total Changes in Net Position at June 30, 2018,
per Statement of Activities \$ 30,724

See notes to financial statements.

LaSalle Parish Clerk of Court
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Non-Support <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$382,067</u>	<u>\$58,996</u>	<u>\$114</u>	<u>\$441,177</u>
LIABILITIES:				
Cash Overdraft	\$ 28	\$ 0	\$ 0	\$ 28
Due to Others	<u>382,039</u>	<u>58,996</u>	<u>114</u>	<u>441,149</u>
Total Liabilities	<u>\$382,067</u>	<u>\$58,996</u>	<u>\$114</u>	<u>\$441,177</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2018

Introduction:

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

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the LaSalle Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY-

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

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

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

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2018

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

Because the LaSalle Parish Police Jury provides office facilities for the Clerk of Court, the Clerk of Court was determined to be fiscally dependent on the Police Jury and accordingly is considered to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the LaSalle Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING-

The LaSalle Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. An emphasis is placed on major funds, and the General Fund is considered to be a major fund.

Governmental Fund

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the LaSalle Parish Clerk of Court and accounts 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.

Fiduciary Funds

Agency Funds - The agency funds, the Advance Deposit Fund, Registry of Court Fund, and Non-Support Fund account for assets held by the Clerk of Court as an agent for others and litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the LaSalle Parish Clerk of Court, except for the fiduciary funds which are reported separately.

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2018

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

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The governmental fund and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The LaSalle Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. All other revenues are recorded when received.

Expenditures-

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

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2018

E. BUDGETARY ACCOUNTING-

Formal budgetary accounting is employed as a management control. The LaSalle Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk of Court amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted by five percent or more. All budget appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS-

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the Clerk of Court may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. The Clerk of Court's policy is to include time deposits and certificates of deposit in cash equivalents.

G. INVESTMENTS-

Investments are limited by R. S. 33:2955 and the LaSalle Parish Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. RECEIVABLES-

All receivables are reported at their gross value. The Clerk of Court expects to collect all balances due, and no allowance for bad debts is recorded.

I. CAPITAL ASSETS-

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the LaSalle Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized.

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J. COMPENSATED ABSENCES-

The vacation/sick time policy is as follows: After 6 months of employment, each employee receives 1 week vacation, after 1 year they receive 2 weeks, after 10 years they receive 3 weeks. An additional 1 week is given for sick time each year. All vacation/sick time is lost if not used each year. Therefore, no entry is made to record compensated absences.

K. 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 Louisiana Clerks' of Court Retirement and Relief Fund (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

M. ESTIMATES-

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

N. EQUITY CLASSIFICATIONS-

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Clerk of Court’s only governmental fund, has a nonspendable fund balance of \$9,917 which represents prepaid expenses. The remaining fund balance of \$108,404 is classified as unassigned. If applicable, the Clerk of Court would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

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O. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES-

As of July 1, 2017, the Clerk of Court implemented Governmental Accounting Standards Board (GASB) Statement 75 *Actuarial Valuation of Other Post-employment Benefits – Amendment of GASB Statement 45*, which resulted in a cumulative change in accounting principle and also a restatement of net position. The net effect of the restatement was to decrease the net position of the Clerk of Court by \$538,275.

2. Cash and Cash Equivalents and Related Credit Risk:

The cash and cash equivalents of the Clerk of Court are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Clerk of Court will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk of Court's name.

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. The Clerk of Court may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

At June 30, 2018, the Clerk of Court had cash and cash equivalents (book balances) totaling \$550,648 as follows:

Demand Deposits	\$490,648
Time Deposits	<u>60,000</u>
Total	<u>\$550,648</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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At June 30, 2018, the Clerk of Court has \$601,219 in collected bank balances. These deposits are secured from credit risk as follows:

Collected Bank Balances	\$ 601,219
FDIC Insurance	(308,996)
Pledged Securities	<u>(292,223)</u>
Balance Subject to Credit Risk	\$ <u>0</u>

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

3. Revenue Receivable:

The following is a summary of receivables at June 30, 2018:

<u>Class of Receivable</u>	<u>Total</u>
Fees & charges for services	<u>\$23,264</u>

4. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2018, is as follows:

	<u>Balance</u> <u>06-30-17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-18</u>
Furniture fixtures, and equipment	\$ 263,988	\$ 996	\$0	\$ 264,984
Less, accumulated depreciation	<u>(247,933)</u>	<u>(4,550)</u>	<u>0</u>	<u>(252,483)</u>
Total Capital Assets, net	\$ <u>16,055</u>	\$ <u>(3,554)</u>	\$ <u>0</u>	\$ <u>12,501</u>

Depreciation expense of \$4,550 was charged to the judicial function.

LaSalle Parish Clerk of Court
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5. Accounts Payable:

The following is a summary of accounts payable at June 30, 2018:

<u>Class of Payable</u>	<u>Total</u>
Vendor	\$ 3,657
Payroll	<u>20,702</u>
Total	<u>\$24,359</u>

6. Pension Plan:

Plan Description

The Clerk of Court contributes to The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees. Substantially all employees of the LaSalle Parish Clerk of Court are members of the Fund. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund, which can be obtained at www.la.la.org.

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 Benefits

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more, and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3% of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated 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 retired 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.

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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, 2 1/2% 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 3% 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 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:

- 1) The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- 2) 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).

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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 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.

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. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan.

The monthly retirement 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. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. Interest accruals cease upon termination of employment. 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.

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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 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 order to grant any cost-of-living increase, the Fund must meet criteria as detailed in the Louisiana statutes related to funding status.

In lieu of granting a cost-of-living increase as described above, Louisiana 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.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19%.

In accordance with state statute, the Fund also 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. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the year ended June 30, 2018, was \$31,740.

The Clerk of Court's contractually required composite contribution rate for the year ended June 30, 2018 was 19% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Clerk of Court were \$50,669 for the year ended June 30, 2018. The Clerk of Court has elected under state statute to pay both the employer and the employee contributions to the retirement system.

Due to this election, the Clerk of Court contributed an additional \$24,172 on behalf of the employees for the year.

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

For the years ending June 30, 2018, and 2017 the Clerk of Court reported a liability of \$448,603 and \$538,700, respectively, 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. For the years ending June 30, 2017, and 2016, the Clerk of Court's proportion was .296512% and .291193%, respectively, which was an increase of .00532% from its proportion measured as of June 30, 2016.

For the years ending June 30, 2018, and 2017, the Clerk of Court recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$78,203 and \$84,104.

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	\$ 13,586	\$11,772
Changes in assumption	19,565	0
Net difference between projected and actual earnings on pension plan investments	6,144	0
Changes in employer's proportion of beginning net pension liability	26,966	27,991
Differences between employer contributions and proportionate share of employer contributions	28	1,414
Subsequent Measurement Contributions	55,669	0
Total	\$121,958	\$41,177

The deferred outflows of resources related to pensions resulting from LaSalle Parish Clerk of Court contributions subsequent to the measurement date in the amount of \$55,669, will be recognized as a reduction of the Net Pension Liabilities in the year of June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 16,053
2020	13,127
2021	10,281
2022	(14,346)
Total	\$ 25,115

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Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense
Projected Salary Increases	5.00%
Inflation Rate	2.5%
Mortality Rates	RP-2000 Employee 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	2017 - 5 years 2016 - 5 years 2015 - 5 years 2014 - 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.

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The actuarial assumptions used are based on the assumptions used in the 2017 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study 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 7.20%, for the year ended June 30, 2017.

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2017, is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus 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	15.50%	5.25%
Small cap international equity	5.00%	5.25%
Emerging markets	6.50%	7.25%
Real Estate	10.00%	4.50%
Master Limited Partnerships	5.00%	7.00%
Hedge Funds	<u>10.00%</u>	3.00%
	<u>100.00%</u>	

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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 Employer'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%, 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%) or one percentage-point higher (8%) than the current rate:

	1.0% Decrease (6%)	Current Discount Rate (7%)	1.0% Increase (8%)
Employer's proportionate share of net pension liability	\$686,524	\$448,603	\$246,617

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Louisiana Clerks' of Courts Retirement and Relief Fund Annual Financial Report at www.lla.la.gov.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$3,175, which is the legally required contribution due at June 30, 2018. This amount is recorded in accrued expenses.

7. Other Post-Employment Benefits:

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

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Benefits provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 100% of dependent pre-Medicare health, Medicare Supplement, and dental insurance premiums. Vision is voluntary and paid 100% by the retiree. The plan also provides for payment of 100% of retiree life insurance premiums.

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

Inactive employees currently receiving benefits payments	5
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>5</u>
Total	<u>10</u>

Total OPEB Liability

The Clerk's total OPEB liability of \$1,611,704 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018.

Balance at June 30, 2017	<u>\$1,599,157</u>
Changes for the year:	
Service cost	28,499
Interest	57,810
Differences between expected and actual experience	(12,359)
Benefit payments	<u>(61,403)</u>
Net changes	<u>\$ 12,546</u>
Balance at June 30, 2018	<u><u>\$1,611,704</u></u>

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

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.62%
Health Care Cost Trend Rates	
Medical:	Initially 7.5%, decreasing 0.25% per year to an ultimate rate of 5.0%.
Medicare Supplement:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging.
Dental:	Initially 3.5%, decreasing 0.25% per year to an ultimate rate of 3.0%.
Vision:	3.0% per year
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 0% for dependents.
Medicare Supplement:	0% for retirees and 0% for dependents.
Dental:	0% for retirees and 0% for dependents.
Vision:	100% for retirees and 100% for dependents.
Basic Life Insurance:	0%

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

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

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

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

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Changes in the Total OPEB Liability

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

	1.0% Decrease (2.62%)	Discount Rate (3.62%)	1.0% Increase (4.62%)
Total OPEB Liability	\$1,825,061	\$1,611,704	\$1,434,096

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1.0% Decrease	Discount Rate	1.0% Increase
Total OPEB Liability	\$1,450,164	\$1,611,704	\$1,717,760

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 an OPEB expense of \$83,219. 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	\$0	\$9,269
Total	\$0	\$9,269

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	\$(3,090)
2020	(3,090)
2021	(3,090)
2022	0
2023	0
Thereafter	\$ 0

LaSalle Parish Clerk of Court
Notes to Financial Statements
June 30, 2018

8. Risk Management:

The LaSalle Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

9. Expenditures of the Clerk of Court Paid by the LaSalle Parish Police Jury:

Certain expenses of the LaSalle Parish Clerk of Court's office are paid by the LaSalle Parish Police Jury. In addition to furnishing the building where the Clerk's office is located, the Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk's office.

10. Deferred Compensation:

All of the employees of the LaSalle Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$18,500 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Clerk matches 100% of the employee contribution up to 7% per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The LaSalle Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2018, the Clerk's matching funds totaled \$11,406.

11. Subsequent Events:

Management has evaluated events through November 8, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

LaSalle Parish Clerk of Court
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Licenses & Permits	\$ 2,654	\$ 3,654	\$ 3,495	\$ (159)
Charges for Services	561,919	609,119	675,379	66,260
Intergovernmental-				
Local	0	0	20,771	20,771
Supplemental Compensation Fund	22,000	24,000	23,400	(600)
Miscellaneous-				
Interest	427	227	561	334
Miscellaneous	0	0	4,543	4,543
Total Revenues	\$587,000	\$637,000	\$728,149	\$ 91,149
EXPENDITURES:				
Judicial-				
Current-				
Personnel Services	\$539,881	\$562,210	\$586,576	\$(24,366)
Operating Services	40,582	50,075	59,906	(9,831)
Operating Supplies	39,215	57,390	31,737	25,653
Miscellaneous	4,112	4,115	4,819	(704)
Capital Expenditures	8,210	8,210	996	7,214
Total Expenditures	\$632,000	\$682,000	\$684,034	\$ (2,034)
Excess(Deficiency) of Revenues over Expenditures	\$ (45,000)	\$ (45,000)	\$ 44,115	\$ 89,115
Fund Balance – Beginning of Year	74,206	74,206	74,206	0
Fund Balance – End of Year	\$ 29,206	\$ 29,206	\$118,321	\$ 89,115

See independent auditor's report.

LaSalle Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2018

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	0.33354%	\$449,906	\$268,366	167.64%	79.37%
2016	0.29663%	\$444,957	\$265,766	167.42%	78.13%
2017	0.29119%	\$538,700	\$267,496	201.39%	74.17%
2018	0.29651%	\$448,603	\$292,993	153.11%	79.69%

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

See independent auditor's report.

LaSalle Parish Clerk of Court
Schedule of Employer Contributions
For the Year Ended June 30, 2018

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$50,989	\$50,989	\$0	\$268,366	19.00%
2016	\$50,499	\$50,499	\$0	\$265,766	19.00%
2017	\$50,824	\$50,824	\$0	\$267,496	19.00%
2018	\$55,669	\$55,669	\$0	\$292,993	19.00%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2018.

See independent auditor's report.

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

Year					2018
Service Cost					\$ 28,499
Interest					57,810
Changes of Benefits Terms					-
Differences Between Expected and Actual Experiences					(12,359)
Changes of Assumptions					-
Benefit Payments					(61,403)
Net Change In Total OPEB Liability					12,547
Beginning OPEB Liability					1,599,157
Ending OPEB Liability					<u>\$ 1,611,704</u>
Covered-Employee Payroll					\$ 281,716
Net OPEB Liability as a Percentage of Covered-Employee Payroll					572.10%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2018.

See independent auditor's report.

LaSalle Parish Clerk of Court
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2018

Agency Head Name: Steve Andrews, Clerk of Court

<u>Purpose</u>	<u>Amount</u>
Salary	\$174,900
Benefits-Insurance	17,411
Benefits-Retirement	41,938
Deferred Compensation	7,013
Benefits-Other	2,822
Registration	800
Conference travel	3,663

See independent auditor's report.

LaSalle Parish Clerk of Court
Statement of Changes in Fiduciary Net Position
for the Year Ended June 30, 2018

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Non-Support <u>Fund</u>	<u>Total</u>
ADDITIONS:				
Suits and Successions	\$302,337	\$ 2,147	\$9,489	\$313,973
Interest Income	<u>0</u>	<u>89</u>	<u>0</u>	<u>89</u>
Total Additions	<u>\$302,337</u>	<u>\$ 2,236</u>	<u>\$9,489</u>	<u>\$314,062</u>
DEDUCTIONS:				
Clerk's Costs (paid to general fund)	\$206,818	\$ 0	\$7,269	\$214,087
Settlements to Litigants	38,639	2,299	0	40,938
Sheriff's Fees	23,316	0	2,220	25,536
Attorneys, Curators, Notary	3,250	0	0	3,250
Other Deductions	<u>13,498</u>	<u>0</u>	<u>0</u>	<u>13,498</u>
Total Deductions	<u>\$285,521</u>	<u>\$ 2,299</u>	<u>\$9,489</u>	<u>\$297,309</u>
Change in Liabilities	\$ 16,816	\$ (63)	\$ 0	\$ 16,753
Total Liabilities-Beginning	<u>365,251</u>	<u>59,059</u>	<u>114</u>	<u>424,424</u>
Total Liabilities-Ending	<u>\$382,067</u>	<u>\$58,996</u>	<u>\$ 114</u>	<u>\$441,177</u>

See independent auditor's report.

SUPPLEMENTARY INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

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

Honorable Steve D. Andrews
LaSalle Parish Clerk of Court
Jena, 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, major fund and fiduciary funds as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the LaSalle Parish Clerk of Court's (Clerk) basic financial statements and have issued our report thereon dated November 8, 2018.

Internal Control over Financial Reporting

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

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, during our audit 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'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

November 8, 2018
Natchitoches, Louisiana

LaSalle Parish Clerk of Court
Schedule of Audit Results
Year Ended June 30, 2018

I. SUMMARY OF AUDIT RESULTS

The following summarizes the audit results:

1. An unmodified opinion was issued on the financial statements of the LaSalle Parish Clerk of Court as of and for the year ended June 30, 2018.
2. The audit did not disclose any material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

III. PRIOR YEAR AUDIT FINDINGS

None noted.

Johnson, Thomas & Cunningham

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Honorable Steve D. Andrews
LaSalle Parish Clerk of Court

We have performed the procedures enumerated below, which were agreed to by the Honorable Steve D. Andrews of the LaSalle Parish Clerk of Court and the Louisiana Legislative Auditor's (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. LaSalle Parish Clerk of Court 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 Accounts and the 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - **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.
 - **Disbursements**, including processing, reviewing, and approving.
 - **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - a) Procedure Results - The Purchasing Policy does not express how vendors are added to the vendor list. The Receipts Policy does not express the actions to determine the completeness of all collections. The Contracting Policy does not address the legal review, approval processes or the monitoring processes with contracts.

Board (or Finance Committee, if applicable)

2. We obtained and inspected the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- For governmental entities, obtained the prior year audit report and observed the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.
- a) Procedure Results – The Clerk of Court is an elected official with no governing board, therefore no minutes to review.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
- Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
- a) Procedure Results – We noted two exceptions which are that bank reconciliations have no evidence that management reviewed the reconciliations and, other than general fund, reconciliations have no evidence that they were prepared within two months of related statement closing.

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected the required amount of deposit sites (up to five).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
- Employees that are responsible for cash collections do not share cash drawers/registers.
 - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- 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.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
 7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the deposits selected and:
 1. We observed that receipts are sequentially pre-numbered.
 2. We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 3. We traced the deposit slip total to the actual deposit per the bank statement.
 4. We observed 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).
 5. We traced the actual deposit per the bank statement to the general ledger.
 - a) Procedure Results – We noted one exception, which is that the same cash drawer is used by multiple employees.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, we obtained 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 we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.

- 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.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
- We observed that the disbursement matched the related original invoice/billing statement.
 - We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
 - a) Procedure Results – We noted one exception which is that job duties are not properly segregated.

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

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
1. We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 2. We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.
- a) Procedure Results – We noted one exception, the transaction for meals was not supported by an itemized receipt.

Travel and Expense Reimbursement

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
 - We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
- a) Procedures Results – Not required due to no exceptions in this area in the prior year.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.
- a) Procedures Results – Not required due to no exceptions in this area in the prior year.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
 - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected the two employees/officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations. If applicable, we agreed the hours to the employees/officials' cumulative leave records and the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained 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.
 - a) Procedures Results – Not required due to no exceptions in this area in the prior year.

Ethics (excluding nonprofits)

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
 - We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.
 - a) Procedures Results – Not required due to no exceptions in this area in the prior year.

Debt Service (excluding nonprofits)

21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.
 - a) Procedures Results – No procedures were performed as there was no outstanding debt or debt issued during this fiscal period.

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
 - a) Procedures Results – Not required due to no exceptions in this area in the prior year.

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

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

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

November 8, 2018
Natchitoches, Louisiana

LaSalle Parish Clerk of Court
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
Year Ended June 30, 2018

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 1: Exception – The Purchasing Policy does not express how vendors are added to the vendor list. The Receipts Policy does not express the actions to determine the completeness of all collections. The Contracting Policy does not address the legal review, approval processes or the monitoring processes with contracts.

Response – We will include the exceptions in the associated policies.

Item 3: Exception – Bank reconciliations have no evidence that management reviewed the reconciliations and other than the general fund, reconciliations have no evidence that they were prepared within two months of related statement closing.

Response – We use an outside accounting firm to prepare our monthly bank reconciliations, we will establish procedures to ensure that evidence is present that management reviewed reconciliations and that all reconciliations were prepared within two months of statement closing.

Item 5: Exception – Employees that are responsible for cash collections do share the same cash drawers/registers.

Response – We feel that since cash collections within the office are minimal, it is not necessary to have cash drawers for each employee.

Item 9: Exception – Job duties are not properly segregated with at least two employees initiating, approving, making a purchases, and processing payments to vendors.

Response – We will establish additional procedures for disbursements to better segregate these duties.

Item 13: Exception – Credit card disbursement for meals was not supported by an itemized receipt.

Response – We will ensure that all disbursements related to credit card purchases are supported with an itemized receipt.