

VERMILION PARISH CLERK OF COURT

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

The Honorable Diane Meaux Broussard
 Vermilion Parish Clerk of Court
 Abbeville, Louisiana

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Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the fiduciary fund of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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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 the fiduciary fund of the Vermilion Parish Clerk of Court as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2017, on our consideration of the Vermilion Parish Clerk of Court's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of funding progress for the employees' health insurance program after employment, the budgetary comparison schedule, the schedule of proportionate share of net pension liability, and the schedule of contributions on pages 37 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermilion Parish Clerk of Court's basic financial statements. The budgetary comparison schedules of revenues and expenditures, and the combining statements of agency fund assets and liabilities, and changes therein are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the Vermilion Parish Clerk of Court'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 Vermilion Parish Clerk of Court's internal control over financial reporting and compliance.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
December 14, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 43,609
Accounts receivable	52,623
Due from other governments	21,476
Capital assets, net of depreciation	<u>22,072</u>
Total assets	<u>139,780</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>642,643</u>
LIABILITIES	
Current liabilities:	
Accounts payable	48,120
Other accrued liabilities	14,400
Long term liabilities:	
Compensated absences	38,244
OPEB obligations	967,678
Net pension liability	<u>2,007,296</u>
Total liabilities	<u>3,075,738</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>110,538</u>
NET POSITION	
Invested in capital assets, net of related debt	22,072
Unrestricted (deficit)	<u>(2,425,925)</u>
Total net position (deficit)	<u>\$ (2,403,853)</u>

The accompanying notes are an integral part of this statement.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Activities
Year Ended June 30, 2017

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,280,170	\$ 1,934,750	\$ 34,115	\$ -	\$ (311,305)
Total primary government	<u>\$ 2,280,170</u>	<u>\$ 1,934,750</u>	<u>\$ 34,115</u>	<u>\$ -</u>	<u>(311,305)</u>
		General revenues:			
					95
					22,750
					49,000
					<u>113,816</u>
					<u>185,661</u>
					(125,644)
					<u>(2,278,209)</u>
					<u>\$ (2,403,853)</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Balance Sheet – Governmental Fund
June 30, 2017

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 43,609
Receivables, net	52,623
Due from other governments	<u>21,476</u>
Total assets	<u>\$ 117,708</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 48,120
Other accrued liabilities	<u>14,400</u>
Total liabilities	<u>62,520</u>
Fund balances:	
Unassigned	<u>55,188</u>
Total fund balances	<u>55,188</u>
Total liabilities and fund balances	<u>\$ 117,708</u>

The accompanying notes are an integral part of this statement.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2017

Total fund balances for the governmental fund at June 30, 2017		\$ 55,188
Cost of capital assets at June 30, 2017	\$ 967,222	
Less: accumulated depreciation	<u>(945,150)</u>	22,072
Long-term liabilities at June 30, 2017 -		
Compensated absences	(38,244)	
Net pension liability	<u>(2,007,296)</u>	(2,045,540)
Deferred outflows and inflows of resources at June 30, 2017:		
Deferred outflows of resources related to pensions	642,643	
Deferred inflows of resources related to pensions	<u>(110,538)</u>	532,105
OPEB obligations		<u>(967,678)</u>
Total net position (deficit) of governmental activities at June 30, 2017		<u>\$(2,403,853)</u>

The accompanying notes are an integral part of this statement.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Fund
Year Ended June 30, 2017

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 22,062
Fees, charges and commissions -	
Court costs, fees and charges	380,827
Fees for recording legal documents	1,499,663
Fees for certified copies	28,193
Intergovernmental	83,115
Miscellaneous	<u>26,850</u>
Total revenues	<u>2,040,710</u>
Expenditures:	
Current -	
General government -	
Salaries	983,030
Employee benefits	600,801
Insurance	16,104
Operation and maintenance	202,419
Vehicle	24,008
Professional services	164,492
Miscellaneous	76,341
Police jury expenditures	47,622
Capital outlay	<u>3,165</u>
Total expenditures	<u>2,117,982</u>
Excess (deficiency) of revenues over expenditures	<u>(77,272)</u>
Fund balances, beginning of year	<u>132,460</u>
Fund balances, end of year	<u>\$ 55,188</u>

The accompanying notes are an integral part of this statement.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Fund
to the Statement of Activities
Year Ended June 30, 2017

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (77,272)
Capital outlay costs which are reported as expenditures in the Statement of Revenues, Expenditures, and Change in Fund Balances	3,165
Increase in liability for compensated absences	(2,832)
Depreciation expense is not recognized as an expenditure in the governmental fund	(8,312)
OPEB expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures of governmental funds	(63,610)
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Non employer pension contributions	113,816
Governmental funds report pension contributions as expenditures; however, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
Pension contributions subsequent to the measurement date	172,693
Amortization of excess contributions during the measurement period	421
Cost of benefits net of employee contributions	<u>(263,713)</u>
Total change in net position per Statement of Activities	<u>\$ (125,644)</u>

The accompanying notes are an integral part of this statement.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Statement of Agency Assets and Liabilities – Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$6,146,036</u>
LIABILITIES	
Due to litigants and others	<u>\$6,146,036</u>

The accompanying notes are an integral part of this statement.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Vermilion Parish Police Jury is the financial reporting entity for Vermilion Parish. The financial reporting entity consists of the primary government (Police Jury), organizations for which the primary government is financially accountable, and 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 Vermilion 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. The criteria includes:

Appointing a voting majority of an organization's governing body, and

The ability of the Police Jury to impose its will on that organization and/or

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.

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 Policy Jury provides the Vermilion Parish Clerk of Court (Clerk) with office space, operational expenditures and certain capital purchases, the Clerk was determined to be a component unit of the Vermilion Parish Policy Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the Police Jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The accompanying basic financial statements of the Clerk 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.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Clerk. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). 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*.

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

Fund Financial Statements (FFS)

The Clerk 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 functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Clerk are classified into two categories: governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for Clerk operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Clerk is considered to be a major fund. The funds of the Clerk are described as follows:

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the Clerk and it accounts for the operations of the Clerk’s office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk’s policy.

Fiduciary Funds –

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

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

Registry of the Court Fund – The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded with the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assets, Liabilities, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The clerk has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the clerk may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the clerk's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office equipment	5-10
Computer and microfilm equipment	5-10

Compensated absences

Employees of the Clerk of Court's office earn 5 to 20 days of leave each year depending on length of service. Such leave is to be used for vacation, sickness, or emergencies. Employees are allowed to carryover a maximum of 15 days of unused leave to the following year.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position in the Government-wide Financial Statements

In the government-wide Statement of Net Position, the Net Position amounts are classified and displayed in three components:

- Invested in capital assets – This component 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 capital assets.
- Restricted net position – This component consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Clerk’s policy to use restricted resources first to finance its activities.

Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Vermilion Parish Clerk of Court, which is the entity's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the Clerk removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Clerk did not have any committed resources as of year end.
- Assigned: This classification includes amounts that are constrained by the Vermilion Parish Clerk of Court's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Vermilion Parish Clerk of Court. The Clerk did not have any assigned resources as of year end.
- Unassigned: This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Vermilion Parish Clerk of Court will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Vermilion Parish Clerk of Court reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Revenues, Expenditures and Expenses

Operating revenues and expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the Clerk is entitled to the funds.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function and in the funds financial statements, expenditures are classified by type.

Budgetary and Budgetary Accounting

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

The following procedures apply to establishing the budgetary data reflected in the financial statements:

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

Bad Debts

All receivables are reported at their gross value and where appropriate are reduced by the estimated portion that is expected to be uncollectible.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Subsequent Events

Management has evaluated subsequent events through December 14, 2017, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Clerk may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Clerk of Court has cash and cash equivalents (book balances) totaling \$6,189,645 as follows:

	Governmental Fund Type	Fiduciary Fund Type	Total
Cash and demand deposits	\$ 43,250	\$ 1,475	\$ 44,725
Money market and savings accounts	359	6,144,561	6,144,920
	\$ 43,609	\$6,146,036	\$ 6,189,645

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. 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.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

The following is a summary of deposit balances (bank balances) at June 30, 2017, and the related federal insurance and pledged securities:

Bank balances	\$ 6,291,813
Federal insurance	1,933,375
Pledged securities (Category 3)	<u>5,883,903</u>
Excess of pledged securities and federal insurance	<u>\$ 1,525,465</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 3) 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.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	June 30, 2016	Additions	Deletions	June 30, 2017
Governmental activities:				
Computer equipment	\$ 643,934	\$ 3,165	\$ -	\$ 647,099
Office equipment	223,658	-	-	223,658
Microfilm equipment	<u>96,465</u>	<u>-</u>	<u>-</u>	<u>96,465</u>
Total	<u>964,057</u>	<u>3,165</u>	<u>-</u>	<u>967,222</u>
Less: accumulated depreciation				
Computer equipment	618,321	7,065	-	625,386
Office equipment	222,052	1,247	-	223,299
Microfilm equipment	<u>96,465</u>	<u>-</u>	<u>-</u>	<u>96,465</u>
Total	<u>936,838</u>	<u>8,312</u>	<u>-</u>	<u>945,150</u>
Net capital assets	<u>\$ 27,219</u>	<u>\$ (5,147)</u>	<u>\$ -</u>	<u>\$ 22,072</u>

Depreciation expense of \$8,312 was charged to the general government function.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 4 DEFERRED COMPENSATION PLAN

Certain employees of Vermilion Parish Clerk of Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE 5 PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

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

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

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks' of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

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 $3\frac{1}{3}$ percent 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 retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

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

Disability Benefits

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

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

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:

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

- a. Forty percent of their monthly average final compensation.
- b. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

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

Survivor 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, then 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 $\frac{1}{4}$ of 1% of 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 $\frac{1}{2}$ of the member's accrued retirement benefit 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.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. During the year ended June 30, 2007 participants had to have been active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan.

The monthly retirement 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 in to the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation.

The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana 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.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

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 buy by the cost of living amount which cannot exceed \$1. In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Employer 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 contributions rate was 19.00%.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Schedule of Employer Allocations

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required employer contributions are used to determine the proportionate relationship of each employer to all employers of Louisiana Clerks' of Court Retirement and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contribution to the Fund during the fiscal year ended June 30, 2016 as compared to the total of all employers' contributions receives by the Fund during the fiscal year ended June 30, 2016.

Schedule of Pension Amounts by Employer

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

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

At June 30, 2017, the Clerk reported a liability of \$2,007,296 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Clerk's proportion was 1.085040%, which was a decrease of 0.024074% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$263,524. The Clerk recognized revenue of \$113,816 as its proportionate share of non-employer contributions for the year ended June 30, 2017.

At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	47,839
Change in assumptions	123,625	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	62,699
Net differences between projected and actual earnings on plan investments	346,325	-
Contributions subsequent to the measurement date	172,693	-
Total	<u>642,643</u>	<u>110,538</u>

Deferred outflows of resources of \$172,693 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2017	\$ 61,807
2018	61,807
2019	146,635
2020	<u>89,163</u>
	<u>\$ 359,412</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

Actuarial Methods and 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.

Valuation Date	June 30, 2016
Salary Increases (merit only)	5.00%
Investment rate of return	7.00%
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 Healty Annuitant Table (set forward 1 year for males)
Expected remaining service lives	5 years
Cost of living adjustments	The present value fo future retirement benefits is based on benefits currently being paid by the Fund and included 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 substantially automatic.

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, 2004 through June 30, 2009. 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 generational mortality tables used.

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.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% Than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	2,856,345	2,007,296	1,286,624

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2016 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience – Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$47,839 for the year ended June 30, 2016.

Differences between Projected and Actual Investment Earning – Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$346,325 for the year ended June 30, 2016

Changes of Assumptions or Other Inputs – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$123,625 for the year ended June 30, 2016.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 5 PENSION PLAN (Continued)

Change in Proportion – Changes in the employer’s proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer’s pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in proportion resulted in a net deferred inflow of resources in the amount of \$62,699 for the year ended June 30, 2017.

Contributions-Proportionate Share

Differences between contributions remitted to the Fund and the employer’s proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

NOTE 6 CHANGES IN BALANCES - AGENCY FUNDS

	Advanced Deposit Fund	Registry of Court Fund
Balance, beginning of year	\$1,405,576	\$3,272,251
Additions	1,161,843	2,408,886
Reductions	<u>(1,030,168)</u>	<u>(1,072,352)</u>
Balance, end of year	<u>\$1,537,251</u>	<u>\$4,608,785</u>

NOTE 7 EXPENDITURES PAID BY THE VERMILION PARISH POLICE JURY

Certain operating expenditures of the Clerk’s office are paid by the Vermilion Parish Police Jury and are included in the accompanying financial statements. These expenditures are summarized as follows:

Book binding	\$ 1,260
Equipment maintenance	<u>46,362</u>
	<u>\$47,622</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 8 POST EMPLOYMENT BENEFITS

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

Funding Policy – The contribution requirement of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. Retirees are required to pay 35% of the premium charged by the LCCA for retirees and 35% for their dependents. Surviving spouses are required to pay 100% of the premiums. For the fiscal year ended June 30, 2017, the Clerk contributed \$78,129 to the plan and the retirees/surviving spouses contributed \$33,808.

Annual OPEB Cost and Net OPEB Obligation – For the fiscal year ended June 30, 2017, the Clerk’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contributions of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk’s net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$157,590
Interest on Net OPEB Obligation	31,642
Adjustment to Annual Required Contribution	<u>(47,493)</u>
Annual OPEB Cost (Expense)	141,739
Contributions Made	<u>(78,129)</u>
Increase in Net OPEB Obligation	63,610
Net OPEB Obligation - beginning of year	<u>904,068</u>
Net OPEB Obligation - end of year	<u><u>\$967,678</u></u>

The Clerk’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 194,268	22.4%	\$ 835,609
6/30/2016	\$ 142,940	52.1%	\$ 904,068
6/30/2017	\$ 141,739	55.1%	\$ 967,678

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 8 POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress – As of June 30, 2016, the actuarial accrued liability for benefits was \$1,792,811, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$990,911, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 180.9%.

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

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the unit credit cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions include an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5.0% after 13 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

NOTE 9 RISK MANAGEMENT

The Clerk is exposed to risks of loss in the areas of auto liability, professional liability, and workers compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 10 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO CLERK OF COURT

A detail of compensation, benefits, and other payments made to Clerk of Court Diane Meaux Broussard for the year ended June 30, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 160,019
Benefits - insurance	11,807
Benefits - retirement	43,605
Benefits - deferred comp.	4,800
Auto allowance	24,008
Conference travel and other expenses	<u>10,013</u>
Total	<u>\$ 254,252</u>

REQUIRED SUPPLEMENTARY INFORMATION

VERMILION PARISH CLERK OF COURT
 Abbeville, Louisiana
 Post Employment Benefits

Schedule of Funding Progress
 Employees Health Insurance Program After Employment
 Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2009	\$ -	\$ 1,882,960	\$1,882,960	0%	\$ 917,493	205.2%
6/30/2012	\$ -	\$ 2,018,854	\$2,018,854	0%	\$1,004,522	200.9%
6/30/2015	\$ -	\$ 1,792,811	\$1,792,811	0%	\$ 990,911	180.9%

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2017

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 25,800	\$ 18,200	\$ 22,062	\$ 3,862
Fees, charges and commissions -				
Court costs, fees and charges	362,300	345,200	380,827	35,627
Fees for recording legal documents	1,415,000	1,451,500	1,499,663	48,163
Fees for certified copies	35,000	24,000	28,193	4,193
Intergovernmental	100,000	89,000	83,115	(5,885)
Miscellaneous	<u>21,900</u>	<u>21,100</u>	<u>26,850</u>	<u>5,750</u>
Total revenues	<u>1,960,000</u>	<u>1,949,000</u>	<u>2,040,710</u>	<u>91,710</u>
Expenditures:				
Current -				
General government -				
Salaries	950,000	985,000	983,030	1,970
Employee benefits	620,000	605,000	600,801	4,199
Insurance	17,000	17,100	16,104	996
Operation and maintenance	219,500	188,500	202,419	(13,919)
Vehicle	-	12,000	24,008	(12,008)
Professional services	87,500	145,000	164,492	(19,492)
Miscellaneous	76,000	73,400	76,341	(2,941)
Police jury expenditures	50,000	49,000	47,622	1,378
Capital outlay	<u>-</u>	<u>1,000</u>	<u>3,165</u>	<u>(2,165)</u>
Total expenditures	<u>2,020,000</u>	<u>2,076,000</u>	<u>2,117,982</u>	<u>(41,982)</u>
Excess (deficiency) of revenues over expenditures	<u>(60,000)</u>	<u>(127,000)</u>	<u>(77,272)</u>	<u>49,728</u>
Fund balance, beginning of year	<u>132,460</u>	<u>132,460</u>	<u>132,460</u>	<u>-</u>
Fund balance, end of year	<u>\$ 72,460</u>	<u>\$ 5,460</u>	<u>\$ 55,188</u>	<u>\$ 49,728</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Proportionate Share of
Net Pension Liability
Year Ended June 30, 2017

Year Ended June 30	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered employee payroll	Share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	1.093779%	\$ 1,475,357	\$976,534	151.08%	79.37%
2016	1.109114%	\$ 1,663,706	\$990,911	167.90%	78.13%
2017	1.085040%	\$ 2,007,296	\$908,911	220.85%	74.17%

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

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Contributions
Year Ended June 30, 2017

<u>Year Ended June 30</u>	<u>Contractually required contribution</u>	<u>Contributions relative to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2015	\$ 190,859	\$ 190,859	\$ -	\$1,004,522	19.0%
2016	\$ 188,273	\$ 188,273	\$ -	\$ 909,911	19.0%
2017	\$ 172,693	\$ 172,693	\$ -	\$ 908,911	19.0%

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

<u>Year Ended June 30</u>	<u>Contractually required contribution</u>	<u>Contributions relative to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2015	\$ 190,859	\$ 190,859	\$ -	\$1,004,522	19.0%
2016	\$ 188,273	\$ 188,273	\$ -	\$ 909,911	19.0%

OTHER FINANCIAL INFORMATION

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Revenues
Year Ended June 30, 2017

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 6,000	\$ 4,000	\$ 4,782	\$ 782
Passports	<u>19,800</u>	<u>14,200</u>	<u>17,280</u>	<u>3,080</u>
Total licenses and permits	<u>25,800</u>	<u>18,200</u>	<u>22,062</u>	<u>3,862</u>
Fees, charges and commissions:				
Court costs, fees, and charges -				
Criminal costs	58,000	54,000	55,038	1,038
Court attendance reporting	7,000	8,000	7,300	(700)
Fax fees	10,000	6,000	7,333	1,333
Copy card fees	160,000	138,000	152,358	14,358
Jury summons fees	50,000	52,000	57,900	5,900
Other	62,300	75,200	92,327	17,127
Stamp copies	<u>15,000</u>	<u>12,000</u>	<u>8,571</u>	<u>(3,429)</u>
Total court costs, fees and charges	<u>362,300</u>	<u>345,200</u>	<u>380,827</u>	<u>35,627</u>
Fees for recording legal documents:				
Recordings	690,000	720,000	744,457	24,457
Mortgage certificates	35,000	21,500	28,788	7,288
Suits and successions	<u>690,000</u>	<u>710,000</u>	<u>726,418</u>	<u>16,418</u>
Total fees for recording legal documents	<u>1,415,000</u>	<u>1,451,500</u>	<u>1,499,663</u>	<u>48,163</u>
Fees for certified copies	<u>35,000</u>	<u>24,000</u>	<u>28,193</u>	<u>4,193</u>
Intergovernmental:				
Appropriation from Police Jury	50,000	49,000	49,000	-
Federal grant - non-support	<u>50,000</u>	<u>40,000</u>	<u>34,115</u>	<u>(5,885)</u>
Total intergovernmental	<u>100,000</u>	<u>89,000</u>	<u>83,115</u>	<u>(5,885)</u>
Miscellaneous:				
Interest earned	900	100	95	(5)
Clerks supplement	21,000	21,000	22,750	1,750
Other	<u>-</u>	<u>-</u>	<u>4,005</u>	<u>4,005</u>
Total miscellaneous	<u>21,900</u>	<u>21,100</u>	<u>26,850</u>	<u>5,750</u>
Total revenues	<u>\$1,960,000</u>	<u>\$ 1,949,000</u>	<u>\$2,040,710</u>	<u>\$ 91,710</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
General Fund

Budgetary Comparison Schedule – Expenditures
Year Ended June 30, 2017

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Expenditures:				
Salaries -				
Clerk	\$ 160,000	\$ 160,000	\$ 160,019	\$ (19)
Deputies	745,000	770,000	770,524	(524)
Others	<u>45,000</u>	<u>55,000</u>	<u>52,487</u>	<u>2,513</u>
Total salaries	<u>950,000</u>	<u>985,000</u>	<u>983,030</u>	<u>1,970</u>
Employee benefits -				
Pension fund	260,000	258,000	236,245	21,755
Uniforms & related items	1,000	500	4,248	(3,748)
Payroll taxes	12,000	3,500	15,679	(12,179)
Deferred compensation	17,000	13,000	25,041	(12,041)
Hospitalization insurance	<u>330,000</u>	<u>330,000</u>	<u>319,588</u>	<u>10,412</u>
Total employee benefits	<u>620,000</u>	<u>605,000</u>	<u>600,801</u>	<u>4,199</u>
Insurance -				
Deputy liability	500	500	230	270
Errors and omissions	13,000	13,000	12,981	19
Fire and casualty	1,000	1,000	226	774
Workers' compensation	<u>2,500</u>	<u>2,600</u>	<u>2,667</u>	<u>(67)</u>
Total insurance	<u>17,000</u>	<u>17,100</u>	<u>16,104</u>	<u>996</u>
Operation and maintenance -				
Office:				
Supplies	60,000	60,000	59,146	854
Printing	7,000	7,000	3,143	3,857
Postage/box rental	29,000	30,000	33,135	(3,135)
Telephone/fax	19,000	18,000	17,639	361
Equipment maintenance	68,000	11,000	49,698	(38,698)
Equipment rental	26,000	50,000	26,754	23,246
Book binding	-	7,000	9,409	(2,409)
Supplies - computer	10,000	5,000	3,421	1,579
Shipping	<u>500</u>	<u>500</u>	<u>74</u>	<u>426</u>
Total operation and maintenance	<u>219,500</u>	<u>188,500</u>	<u>202,419</u>	<u>(13,919)</u>

(continued)

VERMILION PARISH CLERK OF COURT
 Abbeville, Louisiana
 General Fund

Budgetary Comparison Schedule – Expenditures (Continued)
 Year Ended June 30, 2017

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Automobile -				
Auto allowance	\$ -	\$ 12,000	\$ 24,008	\$ (12,008)
Total automobile	<u>-</u>	<u>12,000</u>	<u>24,008</u>	<u>(12,008)</u>
Professional services -				
Accounting/Legal	36,500	40,000	36,475	3,525
Scanning/Program	<u>51,000</u>	<u>105,000</u>	<u>128,017</u>	<u>(23,017)</u>
Total professional services	<u>87,500</u>	<u>145,000</u>	<u>164,492</u>	<u>(19,492)</u>
Miscellaneous -				
Dues and subscriptions	400	400	1,563	(1,163)
Clerk's supplemental compensation	-	12,000	9,920	2,080
Election costs	6,000	3,000	2,800	200
Travel and conventions	30,000	7,000	4,861	2,139
Other	<u>39,600</u>	<u>51,000</u>	<u>57,197</u>	<u>(6,197)</u>
Total miscellaneous	<u>76,000</u>	<u>73,400</u>	<u>76,341</u>	<u>(2,941)</u>
Police jury expenditures -				
Book binding	5,000	1,500	1,260	240
Equipment maintenance	<u>45,000</u>	<u>47,500</u>	<u>46,362</u>	<u>1,138</u>
Total police jury expenditures	<u>50,000</u>	<u>49,000</u>	<u>47,622</u>	<u>1,378</u>
Capital outlay -				
Computer equipment	-	1,000	3,165	(2,165)
Total capital outlay	<u>-</u>	<u>1,000</u>	<u>3,165</u>	<u>(2,165)</u>
 Total expenditures	 <u>\$2,020,000</u>	 <u>\$2,076,000</u>	 <u>\$2,117,982</u>	 <u>\$ (41,982)</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
Agency Funds

Combining Statement of Assets and Liabilities
June 30, 2017

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
ASSETS			
Cash	<u>\$ 1,537,251</u>	<u>\$ 4,608,785</u>	<u>\$ 6,146,036</u>
LIABILITIES			
Due to litigants and others	<u>\$ 1,537,251</u>	<u>\$ 4,608,785</u>	<u>\$ 6,146,036</u>

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2017

	Advance Deposit	Registry of Court	Total
ASSETS			
Balances, beginning of year	<u>\$1,405,576</u>	<u>\$3,272,251</u>	<u>\$4,677,827</u>
Additions:			
Deposits in civil suits	1,130,216	-	1,130,216
Witness deposits	830	-	830
Security bond deposits	30,797	-	30,797
Deposits by order of the court	-	2,395,505	2,395,505
Interest earnings	<u>-</u>	<u>13,381</u>	<u>13,381</u>
Total additions	<u>1,161,843</u>	<u>2,408,886</u>	<u>3,570,729</u>
Total	<u>2,567,419</u>	<u>5,681,137</u>	<u>8,248,556</u>
Reductions:			
Payments by order of the court	-	1,072,352	1,072,352
Refund of deposits	115,957	-	115,957
Clerk's fees transferred to general fund	726,418	-	726,418
Sheriff's fees - local	49,088	-	49,088
Sheriff's fees - other parishes	40,587	-	40,587
Commissioner of insurance - report fee	535	-	535
Attorney fees	11,374	-	11,374
Battered women's fees	2,100	-	2,100
Secretary of state fees	7,950	-	7,950
Court of appeal fees	2,007	-	2,007
Judges support compensation fees	30,477	-	30,477
Judicial costs	19,907	-	19,907
Payments to police jury	<u>23,768</u>	<u>-</u>	<u>23,768</u>
Total reductions	<u>1,030,168</u>	<u>1,072,352</u>	<u>2,102,520</u>
Balances, end of year	<u>\$1,537,251</u>	<u>\$4,608,785</u>	<u>\$6,146,036</u>
LIABILITIES			
Due to litigants and others, beginning of year	\$1,405,576	\$3,272,251	\$4,677,827
Additions	1,161,843	2,408,886	3,570,729
Reductions	<u>1,030,168</u>	<u>1,072,352</u>	<u>2,102,520</u>
Due to litigants and others, end of year	<u>\$1,537,251</u>	<u>\$4,608,785</u>	<u>\$6,146,036</u>

**COMPLIANCE
AND
INTERNAL CONTROL**



**Darnall, Sikes,
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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**

The Honorable Diane Meaux Broussard
 Vermilion Parish Clerk of Court
 Abbeville, Louisiana

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, as of and for the year ended June 30, 2017, and the related notes to financial statements, which collectively comprise the Vermilion Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 14, 2017.

Internal Control Over Financial Reporting

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

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

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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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-01, 2017-02 and 2017-03 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vermilion Parish Clerk of Court's financial statements are free of 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Vermilion Parish Clerk of Court's Response to Findings

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

Purpose of this Report

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

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
December 14, 2017

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on Vermilion Parish Clerk of Court financial statements as of and for the year ended June 30, 2017.

Internal Control Deficiencies – Financial Reporting

Material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements and are reported as findings 2017-01, 2017-02 and 2017-03 in Part II.

Material Noncompliance – Financial Reporting

No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2017.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standard*

2017-01 Inadequate Bank Reconciliation Procedures

Condition – Our evaluation of fiscal year end bank reconciliations revealed that certain cash accounts were not being reconciled adequately and in a timely manner. Unreconciled differences existing at fiscal year-end were not resolved and a listing of outstanding checks were not presented with sufficient detail as to date, check number and amount.

Criteria – To ensure accurate financial reporting and to provide a process for detection of improper cash activity, appropriate personnel should accurately post all transactions to the general ledger and reconcile all bank accounts on a timely basis.

Effect – The failure to thoroughly reconcile all bank accounts in a timely manner results in inaccurate reporting of financial information and inefficiencies in the audit process.

Cause – The factors that contributed to this issue include lack of accounting experience, technical limitations in the accounting software, and insufficient monitoring of the bank reconciliation function.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards* (continued)

Recommendation – Management should implement a process to monitor that thorough monthly reconciliations of all cash accounts are being performed in a timely manner.

2017-02 Reconciliation of Accounts Receivable Subsidiary to the General Ledger

Condition – Our audit procedures relating to accounts receivable revealed an absence of procedures to reconcile the accounts receivable subsidiary to the general ledger.

Criteria – Accounts receivable should be reconciled at least monthly to ensure accurate accounting records.

Effect – The failure to reconcile the accounts receivable subsidiary to the general ledger results in inaccurate reporting of financial information and inefficiencies in the audit process.

Cause – The factors that contributed to this issue include lack of accounting experience, technical issues with the accounting software, and insufficient monitoring of the reconciliation function.

Recommendation – Management should require that accounting staff perform a monthly reconciliation of the accounts receivable subsidiary to the general ledger.

2017-03 Audit Trail When Batch Posting Monthly Disbursements

Condition – For the first half of the audit period, the Clerk’s office outsourced its check disbursement functions. Because the outsourced check disbursement system is not directly interfaced with the clerk’s general ledger system, a manually summarized and manually grouped batch posting journal entry was prepared monthly. However, a clearly evident audit trail of groupings detail was not always available.

Criteria – To ensure accurate financial reporting and to provide a process for supporting cash disbursements.

Effect – Lack of a clear and precise audit trail could result in an inaccurate reporting of financial information and ineffectiveness in the audit process.

Cause – The factors that contributed to this issue include the use of two different accounting software systems, manual summarization of monthly reports, and insufficient monitoring of details.

Recommendation – Management should require a clearly evident audit trail when batch posting the summary of monthly disbursements.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards* (continued)

Views of Responsible Officials and Planned Corrective Actions – This information is in the separate Summary Schedule of Management's Corrective Action Plan on page 54.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2017, the Vermilion Parish Clerk of Court did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2017

2016-01 Inadequate Bank Reconciliation Procedures

Finding: Our evaluation of fiscal year end bank reconciliations revealed that certain cash accounts were not being reconciled adequately and in a timely manner.

Status: Unresolved. See audit finding 2017-01.

2016-02 Reconciliation of Accounts Receivable Subsidiary to the General Ledger

Finding: Our audit procedures relating to accounts receivable revealed an absence of procedures to reconcile the accounts receivable subsidiary to the general ledger.

Status: Unresolved. See audit finding 2017-02.

2016-03 Audit Trail When Batch Posting Monthly Disbursements

Finding: Our audit procedures relating to disbursements and coding revealed the absence of a clearly evident audit trail of how disbursements were being grouped and coded.

Status: Unresolved. See audit finding 2017-03.

VERMILION PARISH CLERK OF COURT
Abbeville, Louisiana

Summary Schedule of Management's Corrective Action Plan
Year Ended June 30, 2017

The following is management's corrective action plan in response to each of the current year findings:

2017-01 Inadequate Bank Reconciliation Procedures

The Vermilion Parish Clerk of Court will assign personnel to perform the bank reconciliation function on all accounts on a monthly basis.

2017-02 Reconciliation of Accounts Receivable Subsidiary to the General Ledger

The Vermilion Parish Clerk of Court will assign personnel to reconcile the accounts receivable subsidiary to the general ledger on a monthly basis.

2017-03 Audit Trail When Batch Posting Monthly Disbursements

The Vermilion Parish Clerk of Court is no longer outsourcing check disbursement functions. Check disbursements are now processed in-house utilizing our own staff and software and therefore this matter has been resolved.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Vermilion Parish Clerk of Court
and the Louisiana Legislative Auditor
Abbeville, Louisiana

We have performed the procedures enumerated below, which were agreed to by Vermilion Parish Clerk of Court (Entity), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the Entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget:

The Entity does not have any written policies and procedures that address the functions regarding budgeting.

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- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes:

The Entity does not have any written policies and procedures that address the functions regarding purchasing.

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

The Entity does not have any written policies and procedures that address the functions regarding disbursements.

- d) **Receipts**, including receiving, recording, and preparing deposits:

The Entity does not have any written policies and procedures that address the functions regarding receipts.

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

Written policies and procedures were obtained and do address the functions regarding payroll/personnel noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process:

The Entity does not have any written policies and procedures that address the functions regarding contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage:

The Entity does not have any written policies and procedures that address the functions regarding credit cards.

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

Written policies and procedures were obtained and do address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits:

The Entity does not have any written policies and procedures that address the functions regarding ethics.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements:

The Entity does not have any written policies and procedures that address the functions regarding debt service.

Board (or Finance Committee, if applicable)

This section is not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete:

Obtained a listing of client bank accounts from management and management provided representation that the listing is complete.

4. Using the listing provided by management, select all of the Entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared:

Bank reconciliations have been prepared for all months during the fiscal period.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and:

Bank reconciliations do not include evidence of management's review of the bank reconciliations for sixteen of the eighteen bank accounts selected for testing.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period:

For three of the eighteen bank accounts selected management did not have any documentation reflecting reconciling items have been researched that have been outstanding for more than 6 months.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete:

Obtained listing of cash collection locations and management provided representation that the listing is complete.

6. Using the listing provided by management, select all of the Entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee:

Written documentation was obtained regarding functions (2) and (3) noted above. However, regarding function (1), employees collecting cash are not bonded.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected:

Written policies and procedures were obtained and do address the functions noted above.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using Entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location:

Cash collection documentation was obtained for the selected weeks and we noted deposits were all made within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions:

Daily cash collections for the week selected are completely supported by documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Entity has a process specifically defined (identified as such by the Entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections:

The Entity does not have any documentation that address the functions noted above.

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

8. Obtain a listing of Entity disbursements from management or, alternately, obtain the general ledger and sort/filter for Entity disbursements. Obtain management's representation that the listing or general ledger population is complete:

Obtained listing of disbursements and management provided representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system:

Examined supporting documentation for each of the disbursements selected and noted that purchases were initiated using a purchase order system.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase:

Examined supporting documentation for each of the disbursements selected and noted appropriate approval of purchase orders by a person who did not initiate the transaction.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice:

Examined supporting documentation for each of the disbursements selected and noted appropriate purchase order, receiving report, and approved invoice.

10. Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Entity's purchasing/disbursement system:

The Entity does not have any documentation that address the functions noted above.

11. Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases:

The Entity does not have any documentation that address the functions noted above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review Entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks:

Supply of unused checks are maintained in a locked location, with restricted access from those persons with signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions:

The Entity does not utilize a signature stamp or signature machine.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete:

Obtained listing of all active credit cards and management provided representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the Entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner:

The Entity only has one credit card.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]:

Examined supporting documentation for the monthly statement selected noting the statement did not have written evidence of being reviewed and approved.

- b) Report whether finance charges and/or late fees were assessed on the selected monthly statements:

The Entity did incur finance charges and/or late fees on the selected statement.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing):

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased):

Each transaction was supported by an original itemized receipt.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating:

Each transaction was supported by documentation of the business/public purpose.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.):

Each transaction was supported by appropriate documentation.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions:

No exceptions noted.

- c) For each transaction, compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception:

No exceptions noted.

Travel and Expense Reimbursement

Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete:

Obtained listing of travel and expense reimbursements, by person, and management provided representation that the listing is complete.

18. Obtain the Entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates:

Written policies and procedures were obtained and the amounts listed in the Entity's policies regarding travel and expense reimbursements did not exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates:

Expenses selected were reimbursed in accordance with written policies.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]:

Expenses selected were reimbursed in accordance with appropriate supporting documentation or established per diem amount.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating):

Documentation of business purpose noted for each expense reimbursement selected.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance):

Documentation required by written policy noted for each expense reimbursement selected.

- c) Compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception:

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement:

One expense reimbursement selected did not have any written notation that it was reviewed or approved by someone other than the person receiving reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger

and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete:

Obtained listing of all contracts in effect and management provided representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid:

A formal/written contract supporting the service arrangements was noted for the vendors selected.

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

➤ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder):

Supporting documentation to legal requirements were obtained for one contract selected that was subject to the Louisiana Public Bid Law or Procurement Code.

➤ If no, obtain supporting contract documentation and report whether the Entity solicited quotes as a best practice:

The Entity provided contract documentation, however, the Entity did not solicit quotes as a best practice for four contracts selected.

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment:

Contracts selected were not amended.

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract:

The invoices and related payments selected complied with the terms and conditions of the contract.

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter):

Obtained documentation of approval for selected contracts as required by policy.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained listing of employees with their related salaries and management's representation that the listing is complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure:

Each employee selected was paid in accordance with the terms and conditions of the employment contract or pay rate structure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy:

Changes to pay rates during the fiscal period for selected employee were approved in writing.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the Entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.):

Documentation of daily attendance and leave was noted for each employee selected.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials:

Documentation of supervisor approval for attendance and leave was noted for each employee selected.

- c) Report whether there is written documentation that the Entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave:

Documentation of written leave records were maintained for employees selected.

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management:

Obtained listing of employees terminated during the fiscal period and management provided representation that the listing is complete.

There were no termination payments made to the selected employees.

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines:

Obtained supporting documentation relating to retirement contributions during the fiscal period noting that related payments and required reporting forms were submitted to the applicable agencies by the required deadlines.

Supporting documentation relating to the timeliness of payroll tax deposits and reporting forms were not made available.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the Entity maintained documentation to demonstrate that required ethics training was completed:

Ethics compliance documentation was obtained for the four full-time employees selected, however the one part-time employee selected did not have documentation to demonstrate that the required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the Entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the Entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy:

No alleged ethics violations were reported to the Entity during the fiscal year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the Entity, and report whether State Bond Commission approval was obtained:

The Entity did not issue any debt during the current fiscal year.

29. If the Entity had outstanding debt during the fiscal period, obtain supporting documentation from the Entity and report whether the Entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants:

The Entity did not have any debt outstanding during the current fiscal year.

30. If the Entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off:

The Entity did not have any tax millages relating to debt during the current fiscal year.

Other

31. Inquire of management whether the Entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Entity reported the misappropriation to the legislative auditor and the Entity attorney of the parish in which the Entity is domiciled:

Management has asserted that the Entity did not have any misappropriations of public funds or assets during the reporting period.

32. Observe and report whether the Entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds:

Required notices are posted on the Entity’s premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception:

No exceptions noted.

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.

This 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.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
December 20, 2017



Diane Meaux Broussard
CLERK OF COURT

PARISH OF VERMILION
15TH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA

100 N STATE STREET
SUITE 101
ABBEVILLE, LA 70510

December 20, 2017

Darnall, Sikes, Gardes & Frederick
A Corporation of Certified Public Accountants
Eunice, Louisiana

The following is management's response to the 2016-17 AUP report submitted for Vermilion Parish Clerk of Court.

WRITTEN POLICIES AND PROCEDURES

1. Written policies and procedures manual regarding Budgeting, Purchasing, Disbursements, Receipts, Contracting, Credit Cards, Ethics and Debt Service.

Response: Management will work towards updating policies and procedures to include the procedures listed above.

BANK RECONCILIATIONS

4. b) Management review of bank reconciliation

Response: Management will work toward documenting management review of bank reconciliations.

4. c) Outstanding reconciling items

Response: Management will work toward researching items outstanding for more than 6 months.

COLLECTIONS

6. a) Bonding of persons responsible for collecting cash

Response: Management will work towards updating policies and procedure to include written documentation regarding whether each person responsible for collecting cash is bonded.

7. Verification of completeness of collections by individual not responsible for collections

Response: Management will work toward implementing a policy.

DISBURSEMENTS-GENERAL

10. Responsibility for processing payments segregated from adding vendors to system
Response: Management will work towards implementing a policy that requests be submitted and approved for new vendors to be added to the entity's purchasing disbursement system.

11. Persons with signatory authority have no responsibility for initiating or recording purchases
Response: Management will work toward implementing a policy.

CREDIT CARDS/DEBT CARDS, ETC.

15. a) Evidence of review and approval of monthly statements by someone other than the authorized card holder

Response: The entity will make every effort to have all monthly statements reviewed and approved by someone other than the authorized card holder.

15. b) Incurred finance charges on credit card statement

Response: The entity will make every effort to eliminate finance charges assessed and late fees on statements by paying invoices in a timely manner.

19. d) Review and approval of reimbursement by someone other than the person reimbursed

Response: The entity will make every effort to have all reimbursements reviewed and approved by someone other than the person reimbursed.

PAYROLL AND PERSONNEL

25. Evidence of timely filing of payroll reports and timely payment of payroll deposits were not provided

Response: Management will work towards maintaining supporting documentation relating to the timeliness of payroll tax deposits and reporting forms.

ETHICS

26. Documentation of required ethics training was not maintained for part-time employees

Response: Management will work towards having all part-time employees complete ethics training.