

LAFAYETTE PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2017

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The Honorable Louis J. Perret
Lafayette Parish Clerk of Court
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court (Clerk of Court) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 39 and the schedules of funding progress, employer's share of net pension liability, and employer contributions on pages 40 through 42 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.

The Clerk of Court 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 Lafayette Parish Clerk of Court's basic financial statements. The other supplementary information on pages 45 through 56 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative and combining statements and the combined schedule of interest-bearing deposits on pages 45, 47 and 54 through 56 are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative and combining statements and the combined schedule of interest-bearing deposits are fairly stated in all material respects, in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the Lafayette Parish Clerk of Court's 2015 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules on pages 48 through 52 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2017 on our consideration of the Lafayette 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 Clerk of Court's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 4, 2017

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 8,079,562
Accounts receivable	252,297
Insurance stop loss receivable	135,466
Due from other governmental units	34,815
Accrued interest	1,437
Prepaid expenditures	33,175
Inventory	6,920
Total current assets	8,543,672
Noncurrent assets:	
Capital assets, net	413,708
Total assets	8,957,380
DEFERRED OUTFLOWS OF RESOURCES	3,387,587
LIABILITIES	
Current liabilities:	
Accounts and other payables	254,635
Due to other governmental agencies	8,113
Total current liabilities	262,748
Noncurrent liabilities:	
Compensated absences	823,985
Net OPEB obligation	6,631,537
Net pension liability	9,270,959
Total noncurrent liabilities	16,726,481
Total liabilities	16,989,229
DEFERRED INFLOWS OF RESOURCES	353,946
NET POSITION	
Net investment in capital assets	413,708
Unrestricted	(5,411,916)
Total net position (deficit)	\$ (4,998,208)

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Balance Sheet - Governmental Fund
June 30, 2017

	<u>General Fund</u>
ASSETS	
Cash	\$ 3,450
Interest-bearing deposits	8,076,112
Receivables:	
Accounts receivable	252,297
Insurance stop loss receivable	135,466
Due from other governmental agencies	34,815
Accrued interest	1,437
Prepaid expenditures	33,175
Inventory	<u>6,920</u>
 Total assets	 <u>\$ 8,543,672</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Cash overdraft	\$ 31,009
Accounts payable	74,952
Claims payable	48,306
Payroll liabilities payable	90,652
Due to other governmental agencies	<u>8,113</u>
Total liabilities	<u>253,032</u>
 Fund balance:	
Nonspendable (prepaid expenditures and inventory)	40,095
Unassigned	<u>8,250,545</u>
Total fund balance	<u>8,290,640</u>
 Total liabilities and fund balance	 <u>\$ 8,543,672</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

Total fund balance for the governmental fund at June 30, 2017		\$ 8,290,640
Cost of capital assets at June 30, 2017	\$2,735,862	
Less: Accumulated depreciation	<u>(2,322,154)</u>	413,708
The deferred outflows of contributions for the clerk employees' retirement system are not available resources and, therefore, are not reported in the funds		3,387,587
Noncurrent liabilities at June 30, 2017:		
Compensated absences payable	(823,985)	
Net OPEB obligation payable	(6,631,537)	
Net pension payable	<u>(9,270,959)</u>	(16,726,481)
The deferred inflows of contributions for the clerk employees' retirement system are not payable from current expendable resources and, therefore, are not reported in the funds		(353,946)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund		
Claims payable		<u>(9,716)</u>
Total net position (deficit) of governmental activities at June 30, 2017		<u>\$ (4,998,208)</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2017

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 446,899
Fees, charges and commissions -	
Court costs, fees and charges	307,156
Fees for recording legal documents	7,114,892
Fees for certified copies	640,065
Intergovernmental	275,599
Miscellaneous	457,177
Total revenues	9,241,788
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	7,585,324
Operating services	746,325
Material and supplies	735,218
Appropriations to Lafayette Parish Government	184,801
Capital outlay	27,424
Total expenditures	9,279,092
Deficiency of revenues over expenditures	(37,304)
Fund balance, beginning of year	8,327,944
Fund balance, end of year	\$ 8,290,640

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

Total net change in fund balance for the year ended June 30, 2017 per the statement of revenues, expenditures and changes in fund balance		\$ (37,304)
Add: Capital outlay costs which are considered as expenditures on the statement of revenues, expenditures, and changes in fund balance	\$ 27,424	
Less: Loss on disposals for year ended June 30, 2017	(5,000)	
Less: Depreciation expense for year ended June 30, 2017	<u>(124,498)</u>	(102,074)
Differences between amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements.		
Claims payable	(2,469)	
Compensated absences payable	61,731	
OPEB obligation payable	<u>(414,051)</u>	(354,789)
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure		(611,463)
Nonemployer's contributions to the clerk employees pension plan		<u>525,673</u>
Total change in net position for the year ended June 30, 2017 per statement of activities		<u>\$ (579,957)</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Fiduciary Assets and Liabilities
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 613,164
Interest-bearing deposits	<u>12,578,688</u>
Total assets	<u>\$ 13,191,852</u>
LIABILITIES	
Due to litigants and others	<u>\$ 13,191,852</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lafayette Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

The accompanying basic financial statements of the Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

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

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

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

The major fund of the Clerk of Court is described below:

Governmental Fund -

General Fund

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

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds -

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

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

Election Qualifying Fund – accounts for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within 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 the 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:

- 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 statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (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.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities reflects the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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 of Court.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include fees and charges paid by the recipients for goods or services offered by the programs.

Inventory

Inventory in the Clerk of Court's General Fund consists of copies of historical books produced and published by the Clerk of Court for sale to the general public. The books are recorded at cost, which is lower than market at June 30, 2017.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives for furniture, fixtures, and equipment range from five to ten years.

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 25 days of vacation leave each year depending on length of service. In addition, employees earn 12 days of personal leave each year. Vacation leave must be used in the year earned. Upon resignation or retirement, employees are paid for unused vacation leave at the employee's current rate of pay. Personal leave may be accumulated to a maximum of 90 days and carried over to succeeding years. Employees are paid for unused personal leave upon termination or retirement.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2017, the Clerk of Court's deferred outflows and inflows of resources are attributable to its pension plan.

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the other two components and is available for general use by the Clerk of Court.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Clerk of Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Clerk of Court.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Clerk of Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk of Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk of Court has provided otherwise in his commitment or assignment actions.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2017, there was no amount due to the parish treasurer even though the General Fund's fund balance at June 30, 2017 exceeded one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office because the Lafayette Parish Clerk of Court did not receive any funds from the parish treasurer in accordance with R.S. 13:784(A) during the current term of office.

E. 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. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character and Function

F. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2017.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within 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 of Court 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 interest-bearing deposits (book balances) totaling \$21,271,414 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash	\$ 3,450	\$ 613,164	\$ 616,614
Time and money market deposits	8,076,112	12,578,688	20,654,800
Total	\$ 8,079,562	\$ 13,191,852	\$ 21,271,414

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. 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 fair 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. The following is a summary of deposit balances (bank balances) at June 30, 2017, and the related federal insurance and pledged securities:

Bank balances	\$ 22,237,771
Federal insurance	\$ 6,208,006
Pledged securities	16,029,765
Total federal insurance and pledged securities	\$ 22,237,771

Deposits in the amount of \$16,029,765 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in Clerk of Court's name (considered to be Category 3 deposits). The Clerk of Court does not have a formal written policy for custodial credit risk.

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2017 consisted of the following:

General Fund:

Amount due from State of Louisiana - Non-support program	\$ 34,815
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LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2017 is as follows:

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Furniture, fixtures and equipment	\$ 2,726,928	\$ 27,424	\$ (18,491)	\$ 2,735,861
Construction in progress	5,000	-	(5,000)	-
Less: Accumulated depreciation	<u>(2,216,146)</u>	<u>(124,498)</u>	<u>18,491</u>	<u>(2,322,153)</u>
Net capital assets	<u>\$ 515,782</u>	<u>\$ (97,074)</u>	<u>\$ (5,000)</u>	<u>\$ 413,708</u>

Depreciation expense of \$124,498 was charged to the general government function.

(5) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2017:

	Governmental Activities
Cash overdraft	\$ 31,009
Accounts payable	74,952
Claims payable	58,022
Pension payable	<u>90,652</u>
Total	<u>\$ 254,635</u>

Excess funds on deposit for the risk management program are held in an interest bearing account and transferred to the operating account as checks clear the bank. Cash overdrafts of \$31,009, consisted of outstanding checks in the risk management program operating account.

(6) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Clerk of Court for the year ended June 30, 2017:

	Balance 7/1/2016	Additions	Reductions	Balance 6/30/2017
Compensated absences	\$ 885,716	\$ 345,277	\$ 407,008	\$ 823,985
OPEB obligation	6,217,486	936,249	522,198	6,631,537
Pension liability	<u>7,484,100</u>	<u>2,312,532</u>	<u>525,673</u>	<u>9,270,959</u>
Total	<u>\$ 14,587,302</u>	<u>\$ 3,594,058</u>	<u>\$ 1,454,879</u>	<u>\$ 16,726,481</u>

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

(7) 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 (System), and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. 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, 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 System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System that may be accessed on their website as follows:

LACRF - <http://www.laclerksofcourt.org>

Retirement Benefits:

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3 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.

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

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 one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- 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.

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).

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

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

Survivor Benefits:

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

Deferred Retirement Option Plan:

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

The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. 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).

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Notes to the Basic Financial Statements (Continued)

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.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Contributions:

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

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.

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

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

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2016 is summarized in the following table:

Asset Class	LACRF*	
	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.00%
Core plus fixed income	15.00%	1.50%
Domestic Equity:		
Large cap domestic equity	21.00%	4.25%
Non-large cap domestic equity	7.00%	4.00%
International Equity:		
Large cap international equity	15.50%	5.25%
Small cap international equity	5.00%	5.00%
Emerging markets	6.50%	7.25%
Real Estate	10.00%	4.75%
Master Limited Partnerships	5.00%	6.50%
Hedge Funds	10.00%	3.50%
Total	<u>100.00%</u>	

*Arithmetic real rates of return

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

At June 30, 2017, the Clerk reported a liability of \$9,270,959 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 5.011399%, which was an increase of .022104% from its proportion measured as of June 30, 2015.

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

For the year ended June 30, 2017, the Clerk recognized pension expense of \$1,431,613 related to its benefit plan and revenues of \$525,673 in ad valorem taxes collected from non-employer contributing entities.

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	\$ -	\$ 315,561
Change of assumptions	2,558,756	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	29,706
Contributions subsequent to the measurement date	828,831	-
Total	\$ 3,387,587	\$ 345,267

Deferred outflows of resources of \$828,831 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	
2018	\$ 499,953
2019	499,953
2020	763,472
2021	450,111
	\$2,213,489

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.

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.

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

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 Healthy Annuitant Table (set back 1 year for males)
Cost of Living Adjustments	The present value of 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 the appropriate 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.

Sensitivity to Changes in Discount Rate:

The following presents the Clerk of Court's proportionate share of the net pension liability of the System, calculated using the discount rate of 7.00%, as well as what the Clerk of Court's 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	<u>\$13,192,402</u>	<u>\$9,270,959</u>	<u>\$5,942,441</u>

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

Contributions – Proportionate Share:

Differences between contributions remitted to the System 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.

Payables to the System

The Clerk of Court recorded an accrued liability of \$90,652 for the System for the year ended June 30, 2017 for the contractually required contribution for the month of June 2017. The amount is included in accounts and other payables in the statement of net position.

(8) Post-Retirement Health Care and Life Insurance Benefits

Plan Description: The Lafayette Parish Clerk of Court's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 25 years of service at any age; or, attainment of age 55 and completion of 12 years of service. However, in order to be eligible for retiree medical insurance coverage paid by the employer, the eligibility provisions are attainment of age 55 (age 60 for employees hired on and after January 1, 2012) and completion of 20 years of service. Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at retirement. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates - Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents

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Notes to the Basic Financial Statements (Continued)

Funding Policy - Until 2008, the Lafayette Parish Clerk of Court recognized the cost of providing post-employment medical and life insurance benefits (the Lafayette Parish Clerk of Court's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2016, the Lafayette Parish Clerk of Court's portion of health care and life insurance funding cost for retired employees totaled \$150,593, respectively.

Effective July 1, 2008, the Lafayette Parish Clerk of Court implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution - The Lafayette Parish Clerk of Court's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

Normal Cost	\$ 218,300
30-year UAL amortization amount	<u>469,250</u>
Annual required contribution	<u>\$ 687,550</u>

Net Post-employment Benefit Obligation (Asset) - The table below shows the Lafayette Parish Clerk of Court's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30, 2017:

Beginning Net OPEB Obligation	\$ 6,217,486
Annual required contribution	687,550
Interest on OPEB obligation	248,699
ARC Adjustment	<u>(359,558)</u>
OPEB Cost	576,691
Contributions to Irrevocable Trust	-
Current year retiree premium	<u>(162,640)</u>
Change in Net OPEB Obligation	<u>414,051</u>
Ending Net OPEB Obligation	<u>\$ 6,631,537</u>

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

The following table shows the Lafayette Parish Clerk of Court's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability (Asset)
6/30/2017	\$ 576,691	28.20%	\$ 6,631,537
6/30/2016	557,503	27.01%	6,217,486

Funded Status and Funding Progress - In 2016, the Lafayette Parish Clerk of Court made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$8,439,017 which is defined as that portion, as determined by a particular actuarial cost method (the Lafayette Parish Clerk of Court uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$ 8,439,017
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 8,439,017</u>
Funded Ratio (AVP/AAL)	0.00%
Covered payroll (active members)	\$ 4,362,269
UAAL as a percentage of covered payroll	193.45%

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Lafayette Parish Clerk of Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Lafayette Parish Clerk of Court and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Lafayette Parish Clerk of Court and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 12.5%. It has also been assumed that 5% of retirees decline medical coverage upon retirement.

Post employment Benefit Plan Eligibility Requirements - Based on past experience, it has been assumed that entitlement to benefits will commence three years after retirees have been assumed to enter the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) - GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 75% of the cost of the medical for the retirees and 0% for dependents provided that the retiree had medical coverage for ten years prior to retirement. Unblended retiree rates were provided and used as required by GASB Codification Section P50.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases: The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years:

	<u>FY 2015</u>	<u>FY2016</u>	<u>FY2017</u>
OPEB Cost	\$ 539,204	\$ 557,503	\$ 576,691
Contribution	-	-	-
Retiree Premium	<u>139,438</u>	<u>150,593</u>	<u>162,640</u>
Total contribution and premium	<u>139,438</u>	<u>150,593</u>	<u>162,640</u>
Change in net OPEB obligation	<u>\$ 399,766</u>	<u>\$ 406,910</u>	<u>\$ 414,051</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	25.86%	27.01%	28.20%

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(9) Risk Management

A. Commercial Insurance Coverage

The Clerk of Court 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.

B. Group Self-Insurance

The Clerk of Court maintains a limited risk management program for group hospitalization insurance. The Clerk of Court has contracted Gilsbar Health and Benefit Managements to act as the third party administrator for the program. An excess of coverage insurance policy covers individual claims in excess of \$40,000 per year and \$1,303,084 per lifetime.

The General Fund participates in the program. The claims liability of \$48,306 reported in the General Fund at June 30, 2017 is based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated. The total claims liability of \$53,084 for the program includes \$4,778 for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The Clerk of Court currently does not discount its claims liabilities. Changes in the claims liability are as follows:

	Fiscal Year Liability	Changes in Estimates	Payments and Claims	Fiscal Year End	
	2015-2016	57,254	1,369,044	1,345,777	\$ 80,521
	2016-2017	80,521	1,217,051	1,244,488	\$ 53,084

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(10) Changes in Agency Fund Balances

The following is a summary of changes in agency fund unsettled deposits for the year ended June 30, 2017:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$ 6,576,572	\$ 7,124,975	\$ 6,735,560	\$ 6,965,987
Registry of Court	5,589,472	1,074,214	438,410	6,225,276
Election Qualifying	587	2	-	589
Totals	<u>\$ 12,166,631</u>	<u>\$ 8,199,191</u>	<u>\$ 7,173,970</u>	<u>\$ 13,191,852</u>

(11) Operating Leases

The Clerk of Court leases eleven copiers under operating leases ranging from 39 to 48 months and expiring at various dates from September 2016 through September 2019.

Future minimum lease payments are as follows:

2018	\$ 53,860
2019	28,431
2020	15,784
2021	9,324
2022	3,345
Total	<u>\$ 110,744</u>

Lease expense for the year ended June 30, 2017 was \$77,880.

(12) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$327,288 for the year ended June 30, 2017.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

(13) Expenditures Paid by the Lafayette City-Parish Consolidated Government

The Clerk of Court's office is located in the Lafayette Parish Courthouse. The Lafayette City-Parish Consolidated Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements. Income relating to court reporting attendance, maintenance agreements and capital outlay required to be paid by the Lafayette City-Parish Consolidated Government are reported as revenues. During the year ended June 30, 2016, the required payments by the Lafayette City-Parish Consolidated Government were not received by the Clerk of Court but are reflected as appropriation expenditures.

(14) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Louis J. Perret, Clerk of Court, for the year ended June 30, 2017 follows:

Salary	\$ 173,790
Benefits - insurance	11,016
Benefits - retirement	47,358
Benefits - deferred compensation	9,000
Benefits- life insurance	2,400
Car Allowance	23,698
Per diem	2,479
Dues	2,501
Registration fees	900
Total	<u>\$ 273,142</u>

(15) Litigation

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2017.

**REQUIRED
SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Licenses and permits	\$ 415,000	\$ 451,857	\$ 446,899	\$ (4,958)
Fees, charges and commissions -				
Court costs, fees and charges	338,750	305,042	307,156	2,114
Fees for recording legal documents	6,895,000	7,003,586	7,114,892	111,306
Fees for certified copies	630,000	629,469	640,065	10,596
Intergovernmental	325,000	325,017	275,599	(49,418)
Miscellaneous	448,000	547,754	457,177	(90,577)
Total revenues	<u>9,051,750</u>	<u>9,262,725</u>	<u>9,241,788</u>	<u>(20,937)</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	8,211,303	7,619,621	7,585,324	34,297
Operating services	933,524	826,445	746,325	80,120
Material and supplies	749,000	660,284	735,218	(74,934)
Appropriations to Lafayette Parish				
Government	260,000	264,275	184,801	79,474
Capital outlay	65,000	27,424	27,424	-
Total expenditures	<u>10,218,827</u>	<u>9,398,049</u>	<u>9,279,092</u>	<u>118,957</u>
Deficiency of revenues over expenditures	(1,167,077)	(135,324)	(37,304)	98,020
Fund balance, beginning of year	<u>8,327,944</u>	<u>8,327,944</u>	<u>8,327,944</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,160,867</u>	<u>\$ 8,192,620</u>	<u>\$ 8,290,640</u>	<u>\$ 98,020</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Schedule of Funding Progress - Other Post Employment Benefits
For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2014	\$ -	\$ 7,802,345	\$ 7,802,345	0.0%	\$4,599,897	170%
July 1, 2011	\$ -	\$10,842,901	\$10,842,901	0.0%	\$4,211,679	257%
July 1, 2008	\$ -	\$ 8,884,257	\$ 8,884,257	0.0%	\$4,175,173	213%

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2017*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	4.750474%	\$ 6,407,333	\$ 4,204,756	159.5%	79.37%
2016	4.989295%	\$ 7,484,100	\$ 4,522,302	165.5%	78.13%
2017	5.011399%	\$ 9,270,959	\$ 4,580,658	202.4%	74.17%

* The amounts presented have a measurement date of the previous fiscal year end.

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund
Schedule of Employer Contributions
For the Year Ended June 30, 2017

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 857,983	\$ 857,983	\$ -	\$ 4,522,302	18.97%
2016	\$ 870,325	\$ 870,325	\$ -	\$ 4,580,658	19.00%
2017	\$ 828,831	\$ 828,831	\$ -	\$ 4,362,270	19.00%

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2017

(1) Budgetary and Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. 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.
- b. 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.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. 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.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. 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. Such amendments, except for capital outlay, were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – 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.

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2017, the General Fund had actual expenditures over appropriations as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Materials and supplies	660,284	735,218	(74,934)

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Comparative Statement of Net Position
June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 8,079,562	\$ 8,149,872
Accounts receivable	252,297	283,581
Insurance stop loss receivable	135,466	194,209
Due from other governmental units	34,815	40,161
Accrued interest	1,437	1,234
Prepaid expenditures	33,175	29,486
Inventory	6,920	6,937
Total current assets	8,543,672	8,705,480
Noncurrent assets:		
Capital assets, net	413,708	515,782
Total assets	8,957,380	9,221,262
DEFERRED OUTFLOWS OF RESOURCES	3,387,587	2,041,920
LIABILITIES		
Current liabilities:		
Accounts and other payables	254,635	376,081
Due to other governmental units	8,113	8,702
Total current liabilities	262,748	384,783
Noncurrent liabilities:		
Compensated absences	823,985	885,716
Net OPEB obligation	6,631,537	6,217,486
Net pension liability	9,270,959	7,484,100
Noncurrent liabilities	16,726,481	14,587,302
Total liabilities	16,989,229	14,972,085
DEFERRED INFLOWS OF RESOURCES	353,946	709,348
NET POSITION		
Net investment in capital assets	413,708	515,782
Unrestricted	(5,411,916)	(4,934,033)
Total net position (deficit)	\$ (4,998,208)	\$ (4,418,251)

GENERAL FUND

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 3,450	\$ 3,450
Interest-bearing deposits	8,076,112	8,146,422
Receivables:		
Accounts receivable	252,297	283,581
Insurance stop loss receivable	135,466	194,209
Due from other governmental agencies	34,815	40,161
Accrued interest	1,437	1,234
Prepaid expenditures	33,175	29,486
Inventory	6,920	6,937
Total assets	\$ 8,543,672	\$ 8,705,480
LIABILITIES AND FUND BALANCE		
Liabilities:		
Cash overdraft	\$ 31,009	\$ 58,192
Accounts payable	74,952	106,699
Claims payable	48,306	73,274
Payroll liabilities payable	90,652	130,669
Due to other governmental agencies	8,113	8,702
Total liabilities	253,032	377,536
Fund balance:		
Nonspendable (prepaid expenditures and inventory)	40,095	36,423
Unassigned	8,250,545	8,291,521
Total fund balance	8,290,640	8,327,944
Total liabilities and fund balance	\$ 8,543,672	\$ 8,705,480

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Licenses and permits	\$ 415,000	\$ 451,857	\$ 446,899	\$ (4,958)	\$ 411,356
Fees, charges and commissions -					
Court costs, fees and charges	338,750	305,042	307,156	2,114	343,859
Fees for recording legal documents	6,895,000	7,003,586	7,114,892	111,306	6,882,070
Fees for certified copies	630,000	629,469	640,065	10,596	619,473
Intergovernmental	325,000	325,017	275,599	(49,418)	371,103
Miscellaneous	448,000	547,754	457,177	(90,577)	408,462
Total revenues	<u>9,051,750</u>	<u>9,262,725</u>	<u>9,241,788</u>	<u>(20,937)</u>	<u>9,036,323</u>
Expenditures:					
Current -					
General government:					
Personnel services and related benefits	8,211,303	7,619,621	7,585,324	34,297	8,104,154
Operating services	933,524	826,445	746,325	80,120	909,110
Material and supplies	749,000	708,284	735,218	(26,934)	798,630
Appropriations to Lafayette Parish Government	260,000	216,275	184,801	31,474	265,391
Capital outlay	65,000	27,424	27,424	-	253,346
Total expenditures	<u>10,218,827</u>	<u>9,398,049</u>	<u>9,279,092</u>	<u>118,957</u>	<u>10,330,631</u>
Deficiency of revenues over expenditures	(1,167,077)	(135,324)	(37,304)	98,020	(1,294,308)
Fund balance, beginning of year	<u>8,327,944</u>	<u>8,327,944</u>	<u>8,327,944</u>	-	<u>9,622,252</u>
Fund balance, end of year	<u>\$7,160,867</u>	<u>\$8,192,620</u>	<u>\$8,290,640</u>	<u>\$ 98,020</u>	<u>\$8,327,944</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance - Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Licenses and permits:					
Marriage licenses	\$ 70,000	\$ 59,781	\$ 59,118	\$ (663)	\$ 63,015
Passports	65,000	54,650	53,525	(1,125)	61,675
Birth/death certificates	<u>280,000</u>	<u>337,426</u>	<u>334,256</u>	<u>(3,170)</u>	<u>286,666</u>
Total licenses and permits	<u>415,000</u>	<u>451,857</u>	<u>446,899</u>	<u>(4,958)</u>	<u>411,356</u>
Fees, charges and commissions:					
Court costs, fees and charges -					
Criminal costs	200,000	187,251	190,364	3,113	208,038
Court attendance reporting	29,000	28,540	28,660	120	29,540
Other	<u>109,750</u>	<u>89,251</u>	<u>88,132</u>	<u>(1,119)</u>	<u>106,281</u>
Total court costs, fees and charges	<u>338,750</u>	<u>305,042</u>	<u>307,156</u>	<u>2,114</u>	<u>343,859</u>
Fees for recording legal documents:					
Recordings	2,500,000	2,506,665	2,582,838	76,173	2,548,780
Index search	10,000	10,040	10,220	180	9,980
Cancellations	360,000	388,869	393,325	4,456	357,875
Mortgage certificates	55,000	52,976	53,843	867	52,650
Suits and successions	3,900,000	3,976,745	4,008,024	31,279	3,841,870
UCC filing	<u>70,000</u>	<u>68,291</u>	<u>66,642</u>	<u>(1,649)</u>	<u>70,915</u>
Total fees for recording legal documents	<u>6,895,000</u>	<u>7,003,586</u>	<u>7,114,892</u>	<u>111,306</u>	<u>6,882,070</u>
Certified copies	<u>630,000</u>	<u>629,469</u>	<u>640,065</u>	<u>10,596</u>	<u>619,473</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance - Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Intergovernmental:					
Charges reimbursable by parish government	200,000	200,000	156,141	(43,859)	235,851
Federal grant - non-support	<u>125,000</u>	<u>125,017</u>	<u>119,458</u>	<u>(5,559)</u>	<u>135,252</u>
Total intergovernmental	<u>325,000</u>	<u>325,017</u>	<u>275,599</u>	<u>(49,418)</u>	<u>371,103</u>
Miscellaneous:					
Interest earned	36,000	55,233	61,031	5,798	30,199
Elections	60,000	49,545	49,543	(2)	61,747
Other	<u>352,000</u>	<u>442,976</u>	<u>346,603</u>	<u>(96,373)</u>	<u>316,516</u>
Total miscellaneous	<u>448,000</u>	<u>547,754</u>	<u>457,177</u>	<u>(90,577)</u>	<u>408,462</u>
 Total revenues	 <u>\$9,051,750</u>	 <u>\$9,262,725</u>	 <u>\$9,241,788</u>	 <u>\$(20,937)</u>	 <u>\$9,036,323</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance - Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Expenditures:					
Current -					
Personnel services and related benefits -					
Salaries:					
Clerk	\$ 159,789	\$ 160,377	\$ 160,377	\$ -	\$ 157,013
Deputy clerks	4,785,975	4,405,643	4,395,385	10,258	4,666,910
Clerk's expense allowance	15,739	15,799	15,799	-	15,419
Clerk's supplemental fund	49,800	49,800	49,800	-	49,800
Unemployment	-	-	-	-	1,865
Hospitalization claims, net	1,500,000	1,440,728	1,432,387	8,341	1,573,213
Payroll taxes, retirement and compensated absences	1,700,000	1,547,274	1,531,576	15,698	1,639,934
Total personnel services and related benefits	<u>8,211,303</u>	<u>7,619,621</u>	<u>7,585,324</u>	<u>34,297</u>	<u>8,104,154</u>
Operating services -					
Insurance	55,000	48,487	54,734	(6,247)	54,768
Professional fees	85,000	73,940	68,512	5,428	72,473
UCC filing	68,000	63,603	63,941	(338)	68,424
Telephone	36,000	37,134	35,330	1,804	32,747
Travel and conventions	6,500	2,546	3,918	(1,372)	5,231
Election expense allowance	38,000	10,113	9,113	1,000	38,219
Copier expense	53,000	54,115	54,676	(561)	52,240
Computer operations	265,000	272,773	188,582	84,191	234,415
Parking fees	33,024	30,374	30,384	(10)	33,024
Training	5,000	6,329	6,330	(1)	10,154
Center for family violence contribution	247,000	218,270	212,562	5,708	245,348
Workers' compensation	12,000	8,761	8,761	-	11,821
Miscellaneous	30,000	-	9,482	(9,482)	15,016
Total operating services	<u>933,524</u>	<u>826,445</u>	<u>746,325</u>	<u>80,120</u>	<u>873,880</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance - Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Automobile and maintenance					
Office supplies and operations	720,000	630,531	657,258	(26,727)	712,729
Automobile and maintenance	11,000	25,666	25,666	-	11,010
Dues and subscription	8,000	1,427	1,834	(407)	6,364
Leases and rentals	-	48,000	48,000	-	60,000
Uniforms	10,000	2,660	2,460	200	8,527
Total materials and supplies	<u>749,000</u>	<u>708,284</u>	<u>735,218</u>	<u>(26,934)</u>	<u>798,630</u>
Appropriations to Lafayette City-Parish					
Consolidated Government -					
Operating revenues and					
expenditures unreimbursed	<u>260,000</u>	<u>216,275</u>	<u>184,801</u>	<u>31,474</u>	<u>265,391</u>
Capital outlay -					
Office equipment	5,000	6,035	6,035	-	11,621
Computer equipment	50,000	21,389	21,389	-	236,725
Computer software	10,000	-	-	-	40,230
Total capital outlay	<u>65,000</u>	<u>27,424</u>	<u>27,424</u>	<u>-</u>	<u>288,576</u>
Total expenditures	<u>\$ 10,218,827</u>	<u>\$9,398,049</u>	<u>\$9,279,092</u>	<u>\$118,957</u>	<u>\$ 10,330,631</u>

FIDUCIARY FUNDS

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 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. Withdrawals of the funds can be made only upon specific court order.

Election Qualifying Fund -

The Election Qualifying Fund is used to account for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
Fiduciary Funds

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2017
With Comparative Totals for June 30, 2016

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Election Qualifying</u>	<u>Totals</u>	
				2017	2016
ASSETS					
Cash	\$ -	\$ 613,164	\$ -	\$ 613,164	\$ 607,494
Interest-bearing deposits	<u>6,965,987</u>	<u>5,612,112</u>	<u>589</u>	<u>12,578,688</u>	<u>11,559,137</u>
Total assets	<u>\$ 6,965,987</u>	<u>\$6,225,276</u>	<u>\$ 589</u>	<u>\$13,191,852</u>	<u>\$12,166,631</u>
LIABILITIES					
Due to litigants and others	<u>\$ 6,965,987</u>	<u>\$6,225,276</u>	<u>\$ 589</u>	<u>\$13,191,852</u>	<u>\$12,166,631</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2017
With Comparative Totals For the Year Ended June 30, 2016

	Advance Deposit	Registry of Court	Election Qualifying	Totals	
				2017	2016
ASSETS					
Balances, beginning of year	<u>\$ 6,576,572</u>	<u>\$ 5,589,472</u>	<u>\$ 587</u>	<u>\$ 12,166,631</u>	<u>\$ 11,922,806</u>
Additions:					
Suits and successions	7,124,975	-	-	7,124,975	6,819,613
Deposits per court order	-	1,061,082	-	1,061,082	1,389,175
Interest earned	-	13,132	2	13,134	13,343
Total additions	<u>7,124,975</u>	<u>1,074,214</u>	<u>2</u>	<u>8,199,191</u>	<u>8,222,131</u>
Total	<u>13,701,547</u>	<u>6,663,686</u>	<u>589</u>	<u>20,365,822</u>	<u>20,144,937</u>
Reductions:					
Clerk's costs (transferred to General Fund)	4,007,829	-	-	4,007,829	3,841,922
Refunds to litigants	1,413,373	-	-	1,413,373	1,229,341
Other	682,672	-	-	682,672	657,984
Interest earned (transferred to General Fund)	-	10,443	-	10,443	12,540
Lafayette Parish Sheriff fees	434,735	-	-	434,735	436,927
Other Sheriff fees	196,951	-	-	196,951	200,240
Disbursements by court order	-	427,967	-	427,967	1,599,352
Total reductions	<u>6,735,560</u>	<u>438,410</u>	<u>-</u>	<u>7,173,970</u>	<u>7,978,306</u>
Balances, end of year	<u>\$ 6,965,987</u>	<u>\$ 6,225,276</u>	<u>\$ 589</u>	<u>\$ 13,191,852</u>	<u>\$ 12,166,631</u>
LIABILITIES					
Due to litigants and others, beginning of year	<u>\$ 6,576,572</u>	<u>\$ 5,589,472</u>	<u>\$ 587</u>	<u>\$ 12,166,631</u>	<u>\$ 11,922,806</u>
Additions	7,124,975	1,074,214	2	8,199,191	8,222,131
Reductions	<u>6,735,560</u>	<u>438,410</u>	<u>-</u>	<u>7,173,970</u>	<u>7,978,306</u>
Due to litigants and others, end of year	<u>\$ 6,965,987</u>	<u>\$ 6,225,276</u>	<u>\$ 589</u>	<u>\$ 13,191,852</u>	<u>\$ 12,166,631</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Combined Schedule of Interest-Bearing Deposits - All Funds
June 30, 2017

	<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Amount</u>
General Fund -					
Certificate of deposit	I	0.25%	6 month	08/21/17	\$ 100,000
Certificate of deposit	R	0.45%	1 year	11/06/17	100,000
Interest-bearing deposits	I	variable	N/A	N/A	1,407,401
Interest-bearing deposits	I	variable	N/A	N/A	3,041
Interest-bearing deposits	I	variable	N/A	N/A	3,893
Interest-bearing deposits	I	variable	N/A	N/A	6,397,437
Interest-bearing deposits	I	variable	N/A	N/A	<u>64,340</u>
Total General Fund					<u><u>8,076,112</u></u>
Advance Deposit Fund -					
Certificate of deposit	R	0.40%	1 year	10/24/17	500,000
Certificate of deposit	M	0.15%	1 year	10/07/17	500,000
Certificate of deposit	C	0.75%	1 year	04/28/19	500,000
Certificate of deposit	T	0.50%	1 year	08/10/17	500,000
Certificate of deposit	H	0.45%	8 month	02/13/18	200,000
Certificate of deposit	B	0.35%	1 year	06/12/18	75,000
Certificate of deposit	B	0.35%	1 year	06/12/18	75,000
Certificate of deposit	B	0.35%	1 year	06/12/18	50,000
Interest-bearing deposits	Ch	variable	N/A	N/A	<u>4,565,987</u>
Total Advance Deposit Fund					<u><u>6,965,987</u></u>
Registry of the Court Fund -					
Interest-bearing deposits	I	variable	N/A	N/A	<u>5,612,112</u>
Total Registry of the Court Fund					<u><u>5,612,112</u></u>
Election Qualifying Fund -					
Interest-bearing deposits	I	variable	N/A	N/A	<u>589</u>
Total - all funds					<u><u>\$ 20,654,800</u></u>

Financial Institution:

- (I) Iberia Bank
- (R) Rayne State Bank
- (M) Mid-South Bank
- (C) Community First Bank
- (T) Tri-Parish Bank
- (H) Home Bank
- (B) Business First Bank
- (Ch) Chase Bank

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

* A Professional Accounting Corporation

The Honorable Louis J. Perret
Lafayette Parish Clerk of Court
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Clerk of Court's basic financial statements and have issued our report thereon dated October 4, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lafayette 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 Lafayette Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Clerk of Court's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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, as described in the accompanying schedule of current and prior year audit findings and corrective action plan, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 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. We consider the deficiency described in the accompanying schedule of current and prior year audit findings and corrective action plan as item 2017-001(IC) to be a material weakness.

Compliance and Other Matters

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

Lafayette Parish Clerk of Court's Response to Findings

The Lafayette Parish Clerk of Court's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Lafayette 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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 4, 2017

LAFAYETTE PARISH CLERK OF COURT

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Completion Date</u>
CURRENT YEAR (6/30/17) --						
<u>Internal Control:</u>						
2017-001(IC)	06/30/07	The Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Louis J. Perret, Clerk of Court	N/A
PRIOR YEAR (6/30/16) --						
<u>Internal Control:</u>						
2016-001(IC)	06/30/07	The Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Louis J. Perret, Clerk of Court	N/A

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

Retired:
Conrad O. Chapman, CPA* 2005

The Honorable Louis J. Perret
Lafayette Parish Clerk of Court
Lafayette, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the Lafayette Parish Clerk of Court and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Court of Clerk's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the Lafayette Parish Clerk of Court is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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.

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

- 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.

Written policies and procedures were obtained and address the functions noted above except for the following: how vendors are added to the vendor list.

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

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

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

Written policies and procedures were obtained and address the functions noted above except for the following: how receipts are recorded and deposited.

- 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 address the functions 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.

Written policies and procedures were obtained and address the functions noted above, except how the contracts are monitored.

- 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.

Written policies and procedures were obtained and address the functions noted above, except for the following: the required documentation and how the card's usage is monitored.

- 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 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.

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

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

The Clerk did not have written policies and procedures to address the functions noted above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The Lafayette Parish Clerk of Court does not have a Board or Finance Committee, and therefore, this attribute is not applicable.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

This step is not applicable to the Lafayette Parish Clerk of Court.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

This step is not applicable to the Lafayette Parish Clerk of Court.

Bank Reconciliations

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

Obtained listing of client bank accounts from management and management's representation that 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;

Obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months for each of the five bank accounts selection except for one.

- 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

Obtained bank statements and reconciliations for all months in the fiscal period noting evidence of management's review not present for all months for each of the five accounts selected.

- 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.

Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months was not present on all accounts examined that had outstanding items.

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's representation that 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.

In all nine of the locations selected the person responsible for collecting cash is bonded, is not responsible for depositing cash in the bank, recording transactions, or reconciling the bank account. Of the nine locations selected five are required to share a drawer with other employees.

- 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.

In all of the locations selected, there is a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.

- 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.

The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements. Each location had one deposit that was not deposited within one day, all of which were due to holiday or weekend.

- 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.

All collections were completely supported by documentation for each of the two locations tested.

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.

In all locations, there is a process defined to determine the completeness of all collections by a person who is not responsible for collections.

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.

Listing of disbursements and management's representation that the listing is complete was obtained.

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 25 disbursements selected and found that only 2 of the disbursements were applicable and 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 25 disbursements selected and found that only 2 disbursements were applicable and had appropriate approval of purchase orders.

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 25 disbursements and found that 2 of the disbursements were applicable and the payments were processed with proper approval, receiving report (if applicable), 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 written documentation that prohibits the person responsible for processing payments from adding vendors to the City's purchasing/disbursement system.

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 written documentation that requires that the person with signatory authority or the person that makes the final authorization for disbursements has no responsibility for initiating or recording purchases.

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.

Inquiry of management indicated that unused check stock is maintained in a locked location. It was noted that persons with signatory authority does not have system access to print checks.

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.

There were no exceptions noted upon inquiry of authorized signers.

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.

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

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.

There was only one active credit card for the year.

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.)]

Monthly statements were obtained and address the functions noted above.

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

There were no finance charges and/or late fees assessed on any of the cards selected.

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)

The only transactions that did not have supporting documentations were two transactions that were for monthly subscriptions.

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

There were no exceptions noted.

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

The written policies did not require any other 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.

There were no exceptions noted as a result of the testing of transaction details to the entity's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

- 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.

All transactions were in compliance with Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

17. 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.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

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.

The entity's written policies relating to travel and expense reimbursements was obtained.

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.

Of the three reimbursements tested there was one exception noted. The written policies require that an employee submit a mapquest printout when requesting mileage reimbursement. In this instance a mapquest printout was not provided.

- 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.]

Of the three reimbursements tested there was one exception noted. Mileage was reimbursed to an employee with no support of the mileage travelled.

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

There was no exception noted.

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

One employee selected for testing did not have adequate documentation for travel paid by the Clerk.

- 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.

There was no exception noted.

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

There was no exception noted.

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.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

- 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.

No exceptions were noted.

- 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)

There were no instances of noncompliance noted.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

There were no instances of noncompliance noted.

- 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.

No exceptions noted.

- 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.

There were no instances of noncompliance noted.

- 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).

The Lafayette Parish Clerk of Court does not have a Board.

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:

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

- 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.

No exceptions were noted.

- 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.

No exceptions were noted.

- 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.)

All selected employees had daily attendance and leave documented.

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

No exceptions were noted.

- 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.

No exceptions were noted.

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.

No exceptions were noted.

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.

No exceptions were noted.

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.

No exceptions were noted.

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.

Management asserted that they have received no allegations during the fiscal period.

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.

No debt was issued during the fiscal period.

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 Lafayette Parish Clerk of Court does not have any outstanding debt.

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 Lafayette Parish Clerk of Court has no tax millages relating to debt service.

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 district 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.

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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The entity does have the required notices posted on its 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 were noted.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Lafayette Parish Clerk of Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 4, 2017