

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Financial Report

Year Ended June 30, 2019

TABLE OF CONTENTS

| | Page |
|---|-------|
| Independent Auditor's Report | 1-3 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) | |
| Statement of net position | 6 |
| Statement of activities | 7 |
| FUND FINANCIAL STATEMENTS (FFS) | |
| Balance sheet - governmental fund | 9 |
| Reconciliation of the governmental fund balance sheet to the statement of net position | 10 |
| Statement of revenues, expenditures, and change in fund balance- governmental fund | 11 |
| Reconciliation of the statement of revenues, expenditures, and change in fund balance of the governmental fund to the statement of activities | 12 |
| Statement of fiduciary net position | 13 |
| Notes to basic financial statements | 14-34 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| General Fund: budgetary comparison schedule | 36 |
| Schedule of changes in total OPEB liability and related ratios | 37 |
| Schedule of employer's share of net pension liability | 38 |
| Schedule of employer contributions | 39 |
| Notes to the required supplementary information | 40-41 |
| OTHER FINANCIAL INFORMATION | |
| Major Governmental Fund - | |
| General Fund - budgetary comparison schedule - revenues | 43 |
| General Fund - budgetary comparison schedule- expenditures | 44 |
| Fiduciary Funds - | |
| Combining statement of fiduciary net position | 46 |
| Combining statement of changes in assets and liabilities | 47 |
| INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 49-50 |
| Schedule of current and prior year audit findings and management's corrective action plan | 51-52 |

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Randall Deshotel
Evangeline Parish Clerk of Court
Ville Platte, 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 Evangeline Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 Clerk of Court, as of June 30, 2019, 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 information, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability, and the schedule of employer contributions on pages 36 through 41 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 Clerk of Court's basic financial statements. The general fund budgetary comparison schedules of revenues and expenditures and fiduciary funds combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The fiduciary funds combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the fiduciary funds combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The general fund budgetary comparison schedules of revenues and expenditures 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 December 2, 2019, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 2, 2019

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Net Position
June 30, 2019

| | Governmental Activities |
|---------------------------------------|----------------------------|
| <hr/> | |
| ASSETS | |
| Cash and interest-bearing deposits | \$ 447,847 |
| Investments | 865,249 |
| Receivables | 66,943 |
| Accrued interest | 9,944 |
| Prepaid items | 15,517 |
| Capital assets, net | <u>21,423</u> |
| Total assets | <u>1,426,923</u> |
| | |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Other post-employment benefit plan | 125,366 |
| Pension plan | <u>204,950</u> |
| Total deferred outflows of resources | <u>330,316</u> |
| | |
| LIABILITIES | |
| Accounts and other accrued payables | 24,964 |
| Long-term liabilities: | |
| Capital lease payable - | |
| Due within one year | 6,295 |
| Due after one year | 3,699 |
| Compensated absences payable | 4,792 |
| Other post-employment benefit payable | 1,343,823 |
| Net pension liability | <u>817,810</u> |
| Total liabilities | <u>2,201,383</u> |
| | |
| DEFERRED INFLOWS OF RESOURCES | |
| Other post-employment benefit plan | 11,880 |
| Pension plan | <u>70,830</u> |
| Total deferred inflows of resources | <u>82,710</u> |
| | |
| NET POSITION | |
| Net investment in capital assets | 11,429 |
| Unrestricted (deficit) | <u>(538,283)</u> |
| Total net position | <u><u>\$ (526,854)</u></u> |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Activities
Year Ended June 30, 2019

| Activities | Expenses | Program Revenues Fees, Fines, and Charges for Services | Net (Expense) Revenues and Changes in Net Position Governmental Activities |
|---------------------------------------|---------------------|--|---|
| Governmental activities: | | | |
| General government | \$ 1,156,101 | \$ 1,305,763 | \$ 149,662 |
| Interest on long-term debt | <u>1,051</u> | <u>-</u> | <u>(1,051)</u> |
| Total governmental activities | <u>\$ 1,157,152</u> | <u>\$ 1,305,763</u> | <u>148,611</u> |
| General revenues: | | | |
| Interest income | | | 33,800 |
| Nonemployer pension contribution | | | 53,933 |
| Miscellaneous | | | <u>76,229</u> |
| Total general revenues | | | <u>163,962</u> |
| Change in net position | | | 312,573 |
| Net position (deficit) - July 1, 2018 | | | <u>(839,427)</u> |
| Net position (deficit)- June 30, 2019 | | | <u>\$ (526,854)</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Balance Sheet
Governmental Fund - General Fund
June 30, 2019

ASSETS

| | |
|------------------------------------|---------------------|
| Cash and interest-bearing deposits | \$ 447,847 |
| Investments | 865,249 |
| Receivables: | |
| Accounts receivable | 66,943 |
| Accrued interest | 9,944 |
| Prepaid items | <u>15,517</u> |
| Total assets | <u>\$ 1,405,500</u> |

LIABILITIES AND FUND BALANCE

| | |
|------------------------------------|---------------------|
| Liabilities: | |
| Accounts payable | \$ 6,811 |
| Other accrued payables | <u>18,153</u> |
| Total liabilities | <u>24,964</u> |
| Fund balance: | |
| Nonspendable | 15,517 |
| Unassigned | <u>1,365,019</u> |
| Total fund balance | <u>1,380,536</u> |
| Total liabilities and fund balance | <u>\$ 1,405,500</u> |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2019

| | | | |
|--|------------------|--|---------------------|
| Total fund balance for the governmental fund at June 30, 2019 | | | \$ 1,380,536 |
| Total net position reported for governmental activities in the statement of net position is different because: | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | | | |
| Equipment, net of \$69,791 accumulated depreciation | | | 21,423 |
| Deferred outflows of resources are not available resources, and therefore, are not reported in the funds: | | | |
| Pension plans | \$ 204,950 | | |
| OPEB | <u>125,366</u> | | 330,316 |
| Some liabilities are not due and payable from current financial resources and are, therefore not reported in the fund. These liabilities consist of the following: | | | |
| Capital lease | (9,994) | | |
| Compensated absences payable | (4,792) | | |
| Other post employment benefits payable | (1,343,823) | | |
| Net pension liability | <u>(817,810)</u> | | (2,176,419) |
| Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the funds: | | | |
| Pension plans | (70,830) | | |
| OPEB | <u>(11,880)</u> | | <u>(82,710)</u> |
| Total net position (deficit) of governmental activities at June 30, 2019 | | | <u>\$ (526,854)</u> |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund - General Fund
Year Ended June 30, 2019

| | |
|---|----------------------------|
| Revenues: | |
| Licenses and permits | \$ 36,125 |
| Fees, charges and commissions | 115,916 |
| Fees for recording legal documents | 1,066,052 |
| Fees for certified copies | 87,670 |
| Miscellaneous | <u>110,029</u> |
| Total revenues | <u>1,415,792</u> |
| Expenditures: | |
| Current - | |
| General government: | |
| Personnel services and related benefits | 776,594 |
| Operating services | 142,421 |
| Material and supplies | 109,152 |
| Debt service | <u>7,346</u> |
| Total expenditures | <u>1,035,513</u> |
| Net change in fund balance | 380,279 |
| Fund balance, beginning | <u>1,000,257</u> |
| Fund balance, ending | <u><u>\$ 1,380,536</u></u> |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of the Governmental Fund
to the Statement of Activities
Year Ended June 30, 2019

| | | | |
|--|---------------|-----------------|-------------------|
| Total net change in fund balance for year ended June 30, 2019 per the statement of revenues, expenditures and changes in fund balance | | | \$ 380,279 |
| The change in net position reported for governmental activities in the statement of activities is different because: | | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | | |
| Depreciation expense for the year ended June 30, 2019 | | (9,316) | |
| Repayment of capital lease financing is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position | | | |
| | | 6,295 | |
| Some long-term liabilities are not recognized at the fund level because they do not represent a claim on current financial resources. Expenses at the government-wide level are recognized when these liabilities are incurred, while expenditures are recognized at the fund level when cash payments are made. The amounts below represent the difference between the expenses incurred at the government-wide level and the current financial resources expended at the fund level. | | | |
| Compensated absences payable | (46) | | |
| Other post employment benefits payable | (75,721) | | |
| Net pension liability | <u>11,082</u> | <u>(64,685)</u> | |
| Change in net position for year ended June 30, 2019 per statement of activities | | | <u>\$ 312,573</u> |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Fiduciary Net Position -
Fiduciary Funds
June 30, 2019

| | <u>Agency Funds</u> |
|------------------------------------|---------------------|
| ASSETS | |
| Cash and interest-bearing deposits | <u>\$3,389,465</u> |
| LIABILITIES | |
| Due to litigants and others | \$3,076,833 |
| Unsettled deposits | <u>312,632</u> |
| Total liabilities | <u>\$3,389,465</u> |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Evangeline 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.

A. 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. There are no component units required to be reported in conformity with generally accepted accounting principles. 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

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the reporting government as a whole. These statements include all funds of the reporting entity, which are considered to be governmental activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary net position at the fund financial statement level.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for 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 services offered by the Clerk of Court, 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 funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Clerk of Court or its total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all governmental funds. The funds of the Clerk of Court are 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 of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Funds -

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

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. 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. In the fund financial statements, the “current financial resources” measurement focus is used. Only current assets and current 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.

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. 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.

The fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Clerk of Court's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

Allocation of indirect expenses

The Clerk of Court reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Use of Restricted Resources

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

Cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court. They are stated at cost, which approximates market.

Investments

Under state law, the Clerk of Court may deposit funds with a fiscal agent 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 and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section I50, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

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 consist of fees for recordings and mortgage certificates.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items.

Capital Assets

Capital assets, which include furniture, fixtures 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 acquisition 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. The range of estimated useful lives for furniture, fixtures and equipment is five to ten years.

Compensated Absences

Employees of the Clerk of Court's office earn eight hours of vacation leave per month and eight hours of sick leave per month. An employee may not accrue vacation leave from one year to the next. Sick leave may be accumulated up to twenty days.

For fund financial statements, vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as non-current liabilities.

At June 30, 2019, employees of the Clerk of Court have accumulated and vested \$4,792 of compensated absence benefits.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the Clerk of Court doesn't have a proprietary fund, all long-term debt is used in governmental fund operations.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of a capital lease payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Clerk of Court has two items that qualify for reporting in this category, the deferred outflow of resources attributable to its pension plan and OPEB. The Clerk of Court reported deferred outflows of resources totaling \$330,316 at June 30, 2019.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Clerk of Court has two items that qualifies for reporting in this category, the deferred inflow of resources attributable to its pension plan and OPEB. The Clerk of Court reported deferred inflows of resources totaling \$82,710 at June 30, 2019.

Equity Classifications

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

- a. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the Clerk of Court's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Clerk of Court is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The Clerk of Court’s nonspendable fund balance includes prepaid items.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes determined by a formal action of the Clerk of Court. The Clerk of Court is the highest level of decision-making authority for the Clerk of Court’s office.
- d. Assigned includes fund balance amounts that are constrained by the Clerk of Court’s intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive approved by the Clerk of Court.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the Clerk of Court’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Clerk of Court uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

E. Use of Estimates

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

F. Pensions

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (described in more detail in Note 6), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Nonemployer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financials, contributions are recognized as expenditures when due.

G. Postemployment Benefits Other than Pensions (OPEB)

The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense (described in more detail in Note 7), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements, contributions are recognized as expenditures when due.

(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 certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$3,837,312 as follows:

| | Governmental Activities | Fiduciary Funds | Total |
|---------------------------|----------------------------|---------------------|---------------------|
| Demand deposits | \$ 347,847 | \$ 1,542,708 | \$ 1,890,555 |
| Time and savings deposits | 100,000 | 1,846,757 | 1,946,757 |
| Total | <u>\$ 447,847</u> | <u>\$ 3,389,465</u> | <u>\$ 3,837,312</u> |

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. 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 the collateral securities that are in the possession of an outside party will not be recovered. The Clerk of Court does not have a policy for custodial credit risk; however, 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 pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. 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. Deposit balances (bank balances) at June 30, 2019, were secured as follows:

| | |
|---------------------------|---------------------|
| Bank balances | <u>\$ 3,941,799</u> |
| Federal deposit insurance | \$ 1,470,000 |
| Pledged securities | <u>2,471,799</u> |
| Total | <u>\$ 3,941,799</u> |

Pledged securities in the amount of \$2,471,799 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

(3) Investments

All of the Clerk of Court's investments are held by Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Accounting standards require disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with accounting standards. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

The investments in LAMP in the amount of \$865,249 are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2019 are as follows:

| | Balance 7/1/2018 | Additions | Deletions | Balance 6/30/2019 |
|-----------------------------------|---------------------|-------------------|-------------|----------------------|
| Furniture, fixtures and equipment | \$ 109,562 | \$ - | \$ 18,348 | \$ 91,214 |
| Less accumulated depreciation | 78,823 | 9,316 | 18,348 | 69,791 |
| Net capital assets | <u>\$ 30,739</u> | <u>\$ (9,316)</u> | <u>\$ -</u> | <u>\$ 21,423</u> |

Depreciation expense of \$9,316 was charged to the general government function.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(5) 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, 2019:

| | Balance 7/1/2018 | Additions | Deletions | Balance 6/30/2019 | Amount due in one year |
|----------------------|---------------------|--------------|-----------------|----------------------|---------------------------|
| Long-term debt: | | | | | |
| Capital leases | \$ 16,289 | \$ - | \$ 6,295 | \$ 9,994 | \$ 6,295 |
| Other liabilities: | | | | | |
| Compensated absences | 4,746 | 46 | - | 4,792 | - |
| | <u>\$ 21,035</u> | <u>\$ 46</u> | <u>\$ 6,295</u> | <u>\$ 14,786</u> | <u>\$ 6,295</u> |

The Clerk of Court has leased equipment under a capital lease that will expire December 2020. The capitalized asset and related accumulated depreciation amounted to \$41,291 and \$19,957, respectively. Current year depreciation on this leased asset amounted to \$8,258.

The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at June 30, 2019:

| | |
|---|-----------------|
| Year Ended June 30, | Amount |
| 2020 | \$ 7,067 |
| 2021 | 3,382 |
| Total minimum lease payments | 10,449 |
| Less amount representing interest | (455) |
| Present value of minimum lease payments | <u>\$ 9,994</u> |

(6) Pension Plan

The employer pension schedules for the Louisiana Clerks' of Court Retirement and Relief Fund are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the 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.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Plan Description

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies and other employees. The Fund issues a publicly available financial report that may be assessed at 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 55 years (age 65 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3 1/3% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability Benefits

Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of 40% of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521 (C).

Survivor Benefits

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse.

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 36 months and defer the receipt of benefits.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Cost of Living Adjustments

The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, Louisiana statutes allow the Board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 19.00% and the member's required contribution was 8.25%. 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. Contributions from non-employer contributing entities were \$53,933. Contributions to the pension plan from the Clerk of Court were \$82,677.

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

As of June 30, 2019, the Clerk reported a liability of \$817,810 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 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. As of June 30, 2018, the Clerk's proportion was 0.491679%, which was a decrease of 0.00475% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$125,528.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

At June 30, 2019, 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 | \$ 21,704 | \$ 8,079 |
| Change of assumptions | 84,968 | - |
| Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | (10) | 62,751 |
| Net differences between projected and actual earnings on plan investments | 15,611 | - |
| Contributions subsequent to the measurement date | <u>82,677</u> | <u>-</u> |
| Total | <u>\$ 204,950</u> | <u>\$ 70,830</u> |

Deferred outflows of resources of \$82,677 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|------------------|
| 2020 | \$ 29,055 |
| 2021 | 17,312 |
| 2022 | (12,824) |
| 2023 | <u>17,900</u> |
| | <u>\$ 51,443</u> |

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Actuarial Methods and Assumptions

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 is as follows:

| | |
|----------------------------------|--|
| Valuation Date | 6/30/2018 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Investment rate of return | 6.75%, net of investment expense |
| Projected salary increases | 5.00% |
| Inflation rate | 2.50% |
| Mortality rates | RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) |
| Expected Remaining Service Lives | 2018 - 5 years |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed to be substantively automatic. |

The actuarial assumptions used are based on the assumptions used in the 2018 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, unless otherwise specified.

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 7.10% for the year ended June 30, 2018.

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, 2018 is summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|--------------------------------|------------------------------|---|
| Fixed Income: | | |
| Core fixed income | 5.00% | 1.75% |
| Core plus fixed income | 15.00% | 2.00% |
| Domestic Equity: | | |
| Large cap domestic equity | 21.00% | 4.50% |
| Non-large cap domestic equity | 7.00% | 4.75% |
| International Equity: | | |
| Large cap international equity | 14.00% | 4.75% |
| Small cap international equity | 6.50% | 4.50% |
| Emerging markets | 6.50% | 6.25% |
| Real Estate | 10.00% | 4.00% |
| Master Limited Partnerships | 5.00% | 6.00% |
| Hedge Funds | <u>10.00%</u> | 3.50% |
| Totals | <u>100.00%</u> | |

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Sensitivity to Changes in Discount Rate

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

| | 1% Decrease <u>5.75%</u> | Current Discount Rate <u>6.75%</u> | 1% Increase <u>7.75%</u> |
|--|--------------------------------|---|--------------------------------|
| Employer's proportionate share of net pension liability | <u>\$ 1,250,250</u> | <u>\$ 817,810</u> | <u>\$ 459,356</u> |

(7) Other Postemployment Benefits (OPEB)

The Clerk of Court recognizes the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the total OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the Clerk of Court's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

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

Benefits Provided: The Clerk of Court provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 100% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Employees Covered by Benefit Terms: At January 1, 2018 the following employees were covered by the benefit terms –

| | |
|---|-----------|
| Inactive employees currently receiving benefits payments | 4 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | <u>10</u> |
| | <u>14</u> |

Total OPEB Liability

The Clerk of Court's total OPEB liability of \$1,343,823 was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|--|
| Inflation: | 2.40% |
| Salary increases, including inflation: | 3.00% |
| Discount rate: | 3.13% |
| Health care cost trend rates | |
| Medical: | -4.76% in first year, then 6.75%, decreasing 0.25% per year to an ultimate rate of 5.0% |
| Medicare supplement: | Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging. |
| Dental: | -0.69% for 2019, 3.25% for 2020, decreasing 0.25% per year to an ultimate rate of 3.0% for 2021 and later years. |
| Vision: | -9.98% for 2019, then 3.0% per year |
| Retirees' share of benefit-related costs: | |
| Medical : | 0% for retirees and 0% for dependents |
| Medicare supplement: | 0% for retirees and 0% for dependents |
| Dental: | 0% for retirees and 0% for dependents |
| Vision: | 0% for retirees and 0% for dependents |
| Basic life insurance: | 0% |

The discount rate was based on the June 30, 2019 Fidelity General Obligation AA 20-Year Yield.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate

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

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Balance at 6/30/18 | <u>\$ 1,164,883</u> |
| Changes for the year: | |
| Service cost | 31,582 |
| Interest | 36,580 |
| Differences between expected and actual experience | (13,860) |
| Changes in assumptions/inputs | 135,993 |
| Change in benefit terms | 44,135 |
| Benefit payments | <u>(55,490)</u> |
| Net changes | <u>178,940</u> |
| Balance at 6/30/2019 | <u>\$ 1,343,823</u> |

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Clerk of Court, as well as what the Clerk of Court's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.31 percent) or 1-percentage point higher (4.31 percent) than the current discount rate:

| | 1% Decrease <u>2.31%</u> | Discount Rate <u>3.31%</u> | 1% Increase <u>4.31%</u> |
|---------------------|-----------------------------|-------------------------------|-----------------------------|
| Tota OPEB liability | <u>\$ 1,553,940</u> | <u>\$ 1,343,823</u> | <u>\$ 1,161,978</u> |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the total OPEB liability of the Clerk of Court, as well as what the Clerk of Court's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

| | 1% Decrease <u>1%</u> | Discount Rate <u>3.31%</u> | 1% Increase <u>4.31%</u> |
|---------------------|--------------------------|-------------------------------|-----------------------------|
| Tota OPEB liability | <u>\$ 1,163,351</u> | <u>\$ 1,343,823</u> | <u>\$ 1,563,580</u> |

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Clerk of Court recognized an OPEB expense of \$131,277. At June 30, 2019, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 8,801 | \$ 11,880 |
| Change of assumptions or other inputs | <u>116,565</u> | <u>-</u> |
| Total | <u>\$ 125,366</u> | <u>\$ 11,880</u> |

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

| Year Ended June 30, | |
|---------------------|-------------------|
| 2020 | \$ 18,914 |
| 2021 | 18,914 |
| 2022 | 18,914 |
| 2023 | 18,914 |
| 2024 | 18,914 |
| Thereafter | <u>18,916</u> |
| | <u>\$ 113,486</u> |

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

A detail of compensation, benefits, and other payments to Clerk of Court, Randall Deshotel, for the year ended June 30, 2019 follows:

| Purpose | Amount |
|-----------------------|-------------------|
| Salary | \$ 150,229 |
| Benefits - insurance | 9,864 |
| Benefits - retirement | 28,164 |
| Cell phone | 1,641 |
| Travel and meals | 7,529 |
| Registration fees | <u>1,100</u> |
| | <u>\$ 198,527</u> |

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(9) Risk Management

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, nor have settlements exceeded coverage for the past three years.

(10) Expenditures of the Clerk of Court Paid by the Parish Police Jury

The Clerk of Court's office is located in the Evangeline Parish Courthouse. The Evangeline Parish Police Jury pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements.

(11) Excess Fund Balance

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. At June 30, 2019, there was no amount due to the parish treasurer.

(12) Litigation

The Clerk of Court was not involved in any lawsuits expected to result in a judgment for damages that would have a material adverse effect on the Clerk of Court's financial position at June 30, 2019.

(13) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for the fiscal years beginning after December 15, 2019. The effect of implementation on the Clerk of Court's financial statements has not yet been determined.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of local governments. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The provisions of GASB Statement No.84 are effective for fiscal years beginning after December 15, 2018. The effect of implementation on the Clerk of Court's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

| | Budget | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$ 36,500 | \$ 36,500 | \$ 36,125 | \$ (375) |
| Fees, charges and commissions | 118,000 | 116,500 | 115,916 | (584) |
| Fees for recording legal documents | 855,000 | 1,023,000 | 1,066,052 | 43,052 |
| Fees for certified copies | 70,000 | 73,000 | 87,670 | 14,670 |
| Miscellaneous | 78,000 | 92,000 | 110,029 | 18,029 |
| Total revenues | <u>1,157,500</u> | <u>1,341,000</u> | <u>1,415,792</u> | <u>74,792</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government: | | | | |
| Personnel services and related benefits | 792,000 | 799,229 | 776,594 | 22,635 |
| Operating services | 211,400 | 210,400 | 142,421 | 67,979 |
| Material and supplies | 123,500 | 127,500 | 109,152 | 18,348 |
| Debt service | 7,500 | 7,500 | 7,346 | 154 |
| Total expenditures | <u>1,134,400</u> | <u>1,144,629</u> | <u>1,035,513</u> | <u>109,116</u> |
| Net change in fund balance | 23,100 | 196,371 | 380,279 | 183,908 |
| Fund balance, beginning | <u>1,000,257</u> | <u>1,000,257</u> | <u>1,000,257</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 1,023,357</u> | <u>\$ 1,196,628</u> | <u>\$ 1,380,536</u> | <u>\$ 183,908</u> |

The notes to the required supplementary information are an integral part of this schedule.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended June 30, 2019

| | <u>2018</u> | <u>2019</u> |
|---|--------------------|--------------------|
| Service cost | \$ 30,675 | \$ 31,582 |
| Interest | 41,233 | 36,580 |
| Differences between expected and actual experience | 11,734 | (13,860) |
| Changes in assumptions/inputs | - | 135,993 |
| Changes in benefit terms | - | 44,135 |
| Benefit payments | <u>(54,282)</u> | <u>(55,490)</u> |
| Net change in OPEB Liability | 29,360 | 178,940 |
| Total OPEB liability -- beginning | <u>1,135,523</u> | <u>1,164,883</u> |
| Total OPEB liability -- ending | <u>\$1,164,883</u> | <u>\$1,343,823</u> |
| Net OPEB liability | \$1,164,883 | \$1,343,823 |
| Covered-employee payroll | \$ 457,109 | \$ 471,965 |
| Total OPEB liability as a percentage of covered-employee payroll | 254.8% | 284.7% |
| Fiduciary Net Position | \$ - | \$ - |
| Funded Ratio | 0.0% | 0.0% |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Schedule of Employer's Share of Net Pension Liability
Year Ended June 30, 2019

| * | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Covered Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|--|--------------------|---|--|
| Year ended June 30, | | | | | |
| Louisiana Clerks' of Court Retirement and Relief Fund: | | | | | |
| 2019 | 0.491679% | \$ 817,810 | \$ 421,109 | 194.2% | 79.07% |
| 2018 | 0.496429% | 751,064 | 442,599 | 169.7% | 79.70% |
| 2017 | 0.510624% | 944,641 | 464,884 | 203.2% | 74.17% |
| 2016 | 0.555886% | 833,847 | 502,816 | 165.8% | 78.13% |
| 2015 | 0.594721% | 802,196 | 508,142 | 157.9% | 79.37% |

* 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.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Schedule of Employer Contributions
Year Ended June 30, 2019

| <u>Year ended June 30,</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractually Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Payroll</u> | <u>Contributions as a % of Covered Payroll</u> |
|---|--|---|---|---|--|
| Louisiana Clerks' of Court Retirement and Relief Fund: | | | | | |
| 2019 | \$ 82,677 | \$ 82,677 | \$ - | \$ 435,142 | 19.00% |
| 2018 | 80,011 | 80,011 | - | 421,109 | 19.00% |
| 2017 | 84,094 | 84,094 | - | 442,599 | 19.00% |
| 2016 | 88,328 | 88,328 | - | 464,884 | 19.00% |
| 2015 | 95,535 | 95,535 | - | 502,816 | 19.00% |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. The Clerk of Court prepares a proposed budget for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. 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.

(2) Pension Plan

Changes of Benefit Terms –

There were no changes of benefit terms for the year ended June 30, 2019.

Changes of assumptions –

| * Year Ended June 30, | Discount Rate | Investment Rate of Return | Inflation Rate | Expected Remaining Service Lives | Projected Salary Increase |
|-----------------------------|------------------|---------------------------------|-------------------|--|---------------------------------|
| 2019 | 6.75% | 6.75% | 2.50% | 5 | 5.00% |
| 2018 | 7.00% | 7.00% | 2.50% | 5 | 5.00% |
| 2017 | 7.00% | 7.00% | 2.50% | 5 | 5.00% |
| 2016 | 7.00% | 7.00% | 2.50% | 5 | 5.00% |
| 2015 | 7.25% | 7.25% | 2.75% | 5 | 5.75% |

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Required Supplementary Information

3) OPEB Plan

Changes in Benefit Terms –

There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions –

| Year Ended June 30, | Discount Rate | Inflation Rate | Projected Salary Increase |
|------------------------|------------------|-------------------|---------------------------------|
| 2019 | 3.13% | 2.40% | 3.00% |
| 2018 | 3.62% | 2.40% | 3.00% |
| 2017 | 3.50% | 2.40% | 3.00% |

OTHER FINANCIAL INFORMATION

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended June 30, 2019

| | Budget | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Licenses and permits: | | | | |
| Marriage licenses | \$ 4,500 | \$ 4,500 | \$ 4,923 | \$ 423 |
| Birth certificates | <u>32,000</u> | <u>32,000</u> | <u>31,202</u> | <u>(798)</u> |
| Total licenses and permits | <u>36,500</u> | <u>36,500</u> | <u>36,125</u> | <u>(375)</u> |
| Fees, charges and commissions: | | | | |
| Court costs, fees and charges - | | | | |
| Criminal costs | 10,000 | 8,500 | 9,048 | 548 |
| Court attendance reporting | 8,000 | 8,000 | 8,460 | 460 |
| Non-support court costs | 50,000 | 40,000 | 39,384 | (616) |
| Public records search fee | <u>50,000</u> | <u>60,000</u> | <u>59,024</u> | <u>(976)</u> |
| Total fees, charges and commissions | <u>118,000</u> | <u>116,500</u> | <u>115,916</u> | <u>(584)</u> |
| Fees for recording legal documents: | | | | |
| Recordings | 350,000 | 520,000 | 542,448 | 22,448 |
| Cancellations | 50,000 | 55,000 | 57,385 | 2,385 |
| Mortgage certificates | 35,000 | 28,000 | 32,799 | 4,799 |
| Suits and successions | <u>420,000</u> | <u>420,000</u> | <u>433,420</u> | <u>13,420</u> |
| Total fees for recording legal documents | <u>855,000</u> | <u>1,023,000</u> | <u>1,066,052</u> | <u>43,052</u> |
| Certified copies | <u>70,000</u> | <u>73,000</u> | <u>87,670</u> | <u>14,670</u> |
| Miscellaneous: | | | | |
| Interest earned | 10,000 | 24,000 | 33,800 | 9,800 |
| Other | <u>68,000</u> | <u>68,000</u> | <u>76,229</u> | <u>8,229</u> |
| Total miscellaneous | <u>78,000</u> | <u>92,000</u> | <u>110,029</u> | <u>18,029</u> |
| Total revenues | <u>\$ 1,157,500</u> | <u>\$ 1,341,000</u> | <u>\$ 1,415,792</u> | <u>\$ 74,792</u> |

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2019

| | Budget | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Expenditures: | | | | |
| Current - | | | | |
| Personnel services and related benefits - | | | | |
| Salaries: | | | | |
| Clerk | \$ 147,000 | \$ 148,229 | \$ 148,229 | \$ - |
| Deputy clerks | 325,000 | 340,000 | 332,329 | 7,671 |
| Payroll taxes | 10,000 | 11,000 | 8,436 | 2,564 |
| Clerk's supplemental fund | 15,000 | 15,000 | 12,810 | 2,190 |
| Hospitalization insurance | 205,000 | 195,000 | 185,632 | 9,368 |
| Retirement | 90,000 | 90,000 | 89,158 | 842 |
| Total personnel services and related benefits | <u>792,000</u> | <u>799,229</u> | <u>776,594</u> | <u>22,635</u> |
| Operating services - | | | | |
| Insurance | 30,000 | 30,000 | 10,526 | 19,474 |
| Professional fees | 60,000 | 60,000 | 51,705 | 8,295 |
| Telephone | 10,000 | 10,000 | 5,114 | 4,886 |
| Travel and conventions | 12,000 | 12,000 | 8,464 | 3,536 |
| Election expense | 18,400 | 10,000 | 12,912 | (2,912) |
| Center for family violence contribution | 2,000 | 3,000 | 2,173 | 827 |
| Non-support expense | 5,000 | 5,000 | 3,145 | 1,855 |
| UCC filings | 8,000 | 8,000 | 6,807 | 1,193 |
| LCRAA fees | 26,000 | 26,000 | 13,962 | 12,038 |
| Birth certificate fees | 17,000 | 17,000 | 15,067 | 1,933 |
| Miscellaneous | 23,000 | 29,400 | 12,546 | 16,854 |
| Total operating services | <u>211,400</u> | <u>210,400</u> | <u>142,421</u> | <u>67,979</u> |
| Materials and supplies - | | | | |
| Office supplies and operations | 91,000 | 94,000 | 81,779 | 12,221 |
| Dues and subscription | 3,000 | 3,000 | 4,502 | (1,502) |
| Repairs and maintenance | 10,000 | 10,000 | 2,230 | 7,770 |
| Equipment rental | 15,000 | 16,000 | 17,337 | (1,337) |
| Automotive supplies | 4,500 | 4,500 | 3,304 | 1,196 |
| Total materials and supplies | <u>123,500</u> | <u>127,500</u> | <u>109,152</u> | <u>18,348</u> |
| Debt service - | | | | |
| Principal payments | 6,300 | 6,300 | 6,295 | 5 |
| Interest | 1,200 | 1,200 | 1,051 | 149 |
| Total debt service | <u>7,500</u> | <u>7,500</u> | <u>7,346</u> | <u>154</u> |
| Total expenditures | <u>\$ 1,134,400</u> | <u>\$ 1,144,629</u> | <u>\$ 1,035,513</u> | <u>\$ 109,116</u> |

FIDUCIARY FUNDS

Advance Deposit Fund -

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

Registry of Court Fund -

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

EVANGELINE PARISH CLERK OF COURT
 Ville Platte, Louisiana
 Fiduciary Fund Type - Agency Funds

Combining Statement of Fiduciary Net Position
 June 30, 2019

| | <u>Advance Deposit</u> | <u>Registry of Court</u> | <u>Totals</u> |
|------------------------------------|----------------------------|------------------------------|---------------------|
| ASSETS | | | |
| Cash and interest-bearing deposits | <u>\$ 3,076,833</u> | <u>\$ 312,632</u> | <u>\$ 3,389,465</u> |
| LIABILITIES | | | |
| Due to litigants and others | \$ 3,076,833 | \$ - | \$ 3,076,833 |
| Unsettled deposits | <u>-</u> | <u>312,632</u> | <u>312,632</u> |
| | <u>\$ 3,076,833</u> | <u>\$ 312,632</u> | <u>\$ 3,389,465</u> |

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana
Fiduciary Fund Type - Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2019

| | <u>Advance Deposit</u> | <u>Registry of Court</u> | <u>Totals</u> |
|--|----------------------------|------------------------------|---------------------|
| ASSETS | | | |
| Balances, beginning of year | \$ 2,971,625 | \$ 243,237 | \$ 3,214,862 |
| Additions: | | | |
| Suits and successions | 805,658 | - | 805,658 |
| Deposits per court order | <u>-</u> | <u>171,417</u> | <u>171,417</u> |
| Total additions | <u>805,658</u> | <u>171,417</u> | <u>977,075</u> |
| Reductions: | | | |
| Clerk of court costs | 433,543 | - | 433,543 |
| Refunds to litigants | 131,691 | - | 131,691 |
| Other | 20,641 | - | 20,641 |
| Sheriff fees | 83,629 | - | 83,629 |
| Secretary of State | 4,650 | - | 4,650 |
| Judge's supplemental compensation fund | 16,138 | - | 16,138 |
| Disbursements by court order | <u>10,158</u> | <u>102,022</u> | <u>112,180</u> |
| Total reductions | <u>700,450</u> | <u>102,022</u> | <u>802,472</u> |
| Balances, end of year | <u>\$ 3,076,833</u> | <u>\$ 312,632</u> | <u>\$ 3,389,465</u> |
| LIABILITIES | | | |
| Due to litigants and others, beginning of year | \$ 2,971,625 | \$ 243,237 | \$ 3,214,862 |
| Additions | 805,658 | 171,417 | 977,075 |
| Reductions | <u>700,450</u> | <u>102,022</u> | <u>802,472</u> |
| Due to litigants and others, end of year | <u>\$ 3,076,833</u> | <u>\$ 312,632</u> | <u>\$ 3,389,465</u> |

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

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

The Honorable Randall Deshotel
Evangeline Parish Clerk of Court
Ville Platte, 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 Evangeline Parish Clerk of Court (Clerk of Court) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Evangeline Parish Clerk of Court's Response to Findings

The Clerk of Court's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The 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 Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 2, 2019

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Clerk of Court did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Clerk of Court does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Clerk of Court has determined that it is not cost effective to achieve complete segregation of duties within the accounting functions.

B. Compliance

There were no compliance findings.

(continued)

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2019

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of Accounting Functions

CONDITION: The Clerk of Court did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2019-001.

2018-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Clerk of Court does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Resolved.

B. Compliance

There were no compliance findings.

EVANGELINE PARISH CLERK OF COURT

Ville Platte, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

To the Management of the Evangeline Parish Clerk of Court
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Evangeline Parish Clerk of Court and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Evangeline Parish Clerk of Court's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- 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.

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

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

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

- 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.

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

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

- 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.

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

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

Written policies and procedures are not required; the Clerk of Court does not incur long-term debt.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Board or Finance Committee

(The following procedures are not applicable; the Clerk of Court does not have a Board or Finance Committee.)

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

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Obtained bank reconciliations noting that they were prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Obtained bank reconciliations noting that they do include evidence of review by a member of management who does not handle cash, post ledgers, or issue checks.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites for the fiscal period where deposits are prepared and management's representation that the listing is complete.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees responsible for cash collections share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Employees responsible for collecting cash are not responsible for preparing/making bank deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger or subsidiary ledgers is not responsible for collecting cash.

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

Through inquiry with management, all employees who have access to cash are covered by a bond or insurance policy for theft.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Receipts are sequentially pre-numbered.

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

Traced supporting documentation to the deposit slips, noting no exceptions.

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

Traced the deposit slip total to the actual deposit per the bank statement, noting no exceptions.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Deposits were made within one business day of receipt.

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

Traced the actual deposit per the bank statement to the general ledger, noting no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
There are not at least two employees involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
There are not at least two employees involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
The employee responsible for processing payments is not prohibited from adding/modifying vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
The employee responsible for signing checks also mails the payment.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
Disbursements matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
Disbursement documentation did not include evidence of segregation of duties tested for the five disbursements selected.

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), 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.]]

Credit card statements selected and supporting documentation were reviewed and approved in writing by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Each transaction selected was supported by an original itemized receipt that identifies precisely what was purchased, written documentation of the business/public purpose and documentation of the individuals participating in meals.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

(The following procedures are not applicable because there were no exceptions noted in year 1.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures are not applicable because there were no exceptions noted in year 1.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures are not applicable because there were no exceptions noted in year 2.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures are not applicable because there were no exceptions noted in year 1.)

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

Debt Service

(The following procedures are not applicable because the entity does not incur debt.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Other

(The following procedures are not applicable, because there were no exceptions noted in year 1)

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Management’s Response:

Management of Evangeline Parish Clerk of Court concurs with the exceptions and are working to address the deficiencies identified.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 2, 2019