

**OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2018
With Supplemental Information Schedules**

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. Those standards require that I 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 Ouachita Parish Clerk of Court's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ouachita Parish Clerk of Court's internal control. Accordingly, I 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.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Independent Auditor's Report,
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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, major fund, and fiduciary funds information of the Ouachita Parish Clerk of Court as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, the budgetary comparison information on pages 38 through 39, the schedule of funding progress for the retiree healthcare plan on page 40, the schedule of the Clerks' proportionate share of the net pension liability on page 41, and the Schedule of Employer Contributions on page 42, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouachita Parish Clerk of Court's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining schedule of changes in unsettled deposits is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 44 is presented for purposes of additional analysis and is not a required part of 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

OUACHITA PARISH CLERK OF COURT
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Independent Auditor's Report,
June 30, 2018

with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated February 8, 2019, on my consideration of the Ouachita Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ouachita Parish Clerk of Court's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated February 13, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
February 13, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Management's Discussion and Analysis
June 30, 2018

As management of the Ouachita Parish Clerk of Court, I offer readers of the Ouachita Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Ouachita Parish Clerk of Court for the fiscal year ended June 30, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Ouachita Parish Clerk of Court's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Ouachita Parish Clerk of Court's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Ouachita Parish Clerk of Court is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ouachita Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Ouachita Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Ouachita Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Ouachita Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Ouachita Parish Clerk of Court's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Ouachita Parish Clerk of Court exceeded assets by \$7,493,975. The largest portion of the Ouachita Parish Clerk of Court's net position reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Ouachita Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$2,071,096	\$1,561,851
Receivables	129,502	98,909
Due from Advance Deposit Fund	293,851	264,563
Capital assets (net of accumulated depreciation)	<u>50,536</u>	<u>47,764</u>
TOTAL ASSETS	<u>2,544,985</u>	<u>1,973,087</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>913,824</u>	<u>1,511,533</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$3,458,809</u></u>	<u><u>\$3,484,620</u></u>
LIABILITIES		
Accounts payable	\$56,759	\$35,908
Due to General Fund	1,339	6,295
Withholdings payable	668	
Net pension liability	3,740,301	4,389,502
Net OPEB Obligation	<u>7,004,891</u>	<u>3,275,452</u>
TOTAL LIABILITIES	<u>10,803,958</u>	<u>7,707,157</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	148,826	151,463
NET POSITION		
Invested in capital assets, net of related debt	50,536	47,764
Unrestricted	<u>(7,544,511)</u>	<u>(4,421,764)</u>
TOTAL NET POSITION	<u>(7,493,975)</u>	<u>(4,374,000)</u>
	<u><u>\$3,458,809</u></u>	<u><u>\$3,484,620</u></u>

STATEMENT OF ACTIVITIES

	<u>2018</u>	<u>2017</u>
Judicial:		
Personal services	\$4,337,273	\$4,364,367
Operating services	583,717	584,058
Materials and supplies	83,636	114,306
Travel	50,443	48,423
Depreciation expense	<u>20,427</u>	<u>19,785</u>
Total Program Expenses	<u>5,075,496</u>	<u>5,130,939</u>
Program revenues:		
License and permits - marriage	14,187	17,721
Clerk's supplemental compensation	23,350	22,750
Court cost, fees, and charges	2,613,748	2,501,876
Fee for recording legal documents	2,300,182	1,516,992
Charges for copies	36,508	97,758
Charges for photocopier	120,862	139,403
Court attendance	12,400	9,488
Miscellaneous	<u>14,568</u>	<u>11,203</u>
Total program revenues	<u>5,135,805</u>	<u>4,317,191</u>
Net Program Expenses	<u>60,309</u>	<u>(813,748)</u>
General revenues:		
Interest earned	61,119	43,776
Other	<u>264,640</u>	<u>248,889</u>
Change in Net Position	386,068	(521,083)
Net Position - Beginning of year as restated	<u>(7,880,043)</u>	<u>(3,852,917)</u>
Net Position - End of year	<u><u>(\$7,493,975)</u></u>	<u><u>(\$4,374,000)</u></u>

Financial Analysis of the Government's Funds

As noted earlier, the Ouachita Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund's unreserved, undesignated fund balance of \$2,435,683 shows an increase (of approximately \$552,563) from the prior year amount.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily to an increase in personal services and related benefits and travel and other charges. Differences between revenues of the original budget and the final budget were due primarily to an increase in revenues for court costs, fees, and charges, recording legal documents, miscellaneous and use of money and property and decreases in license and permits, charges for copies and charges for use of photocopier.

Capital Asset and Debt Administration

Capital assets. The Ouachita Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$50,536 (net of accumulated depreciation). This investment includes furniture and equipment. There was an increase in capital assets of \$23,199 and no deletions.

Long-term debt. The Ouachita Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2018 is \$7,004,891. Net Pension obligation associated with the Pension Plan at June 30, 2018 is \$3,740,301.

Requests for Information

This financial report is designed to provide a general overview of the Ouachita Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Ouachita Parish Clerk of Court, P.O. Box 1862, Monroe, LA 71210.

February 13, 2019

BASIC FINANCIAL STATEMENTS

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

STATEMENT OF NET POSITION
June 30, 2018

ASSETS	
Cash and cash equivalents	\$2,071,096
Receivables	129,502
Due from other funds	293,851
Capital assets (net of accumulated depreciation)	50,536
TOTAL ASSETS	2,544,985
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	913,824
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$3,458,809
LIABILITIES	
Accounts payable	\$56,759
Due to other Funds	1,339
Withholdings payable	668
Net pension liability	3,740,301
Net OPEB Obligation	7,004,891
TOTAL LIABILITIES	10,803,958
DEFERRED INFLOWS OF RESOURCES	
Pension related	148,826
NET POSITION	
Invested in capital assets, net of related debt	50,536
Unrestricted	(7,544,511)
TOTAL NET POSITION	(7,493,975)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$3,458,809

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2018

Judicial:	
Personal services	\$4,337,273
Operating services	583,717
Materials and supplies	83,636
Travel	50,443
Depreciation expense	20,427
Total Program Expenses	<u>5,075,496</u>
Program revenues:	
License and permits - marriage	14,187
Clerk's supplemental compensation	23,350
Court cost, fees, and charges	2,613,748
Fee for recording legal documents	2,300,182
Charges for copies	36,508
Charges for photocopier	120,862
Court attendance	12,400
Miscellaneous	14,568
Total program revenues	<u>5,135,805</u>
Net Program Expenses	<u>60,309</u>
General revenues:	
Interest earned	61,119
Other	264,640
Change in Net Position	386,068
Net Position - Beginning of year	<u>(7,880,043)</u>
Net Position - End of year	<u><u>(\$7,493,975)</u></u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

ASSETS

Cash and cash equivalents	\$2,071,096
Receivables	129,502
Due from other funds	<u>293,851</u>
TOTAL ASSETS	<u><u>\$2,494,449</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:

Due to other funds	\$1,339
Accounts payable	56,759
Withholdings payable	<u>668</u>
Total Liabilities	58,766
Fund Equity - fund balances - unassigned	<u>2,435,683</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$2,494,449</u></u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2018

Total Fund Balances at June 30, 2018 - Governmental Funds (Statement C)		\$2,435,683
Deferred outflow of resources		913,824
Cost of capital assets at June 30, 2018	\$1,147,785	
Less: Accumulated depreciation as of June 30, 2018	<u>(1,097,249)</u>	50,536
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(3,740,301)
Net OPEB obligation		(7,004,891)
Deferred inflow of resources		<u>(148,826)</u>
Net Position at June 30, 2018 (Statement A)		<u>(\$7,493,975)</u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2018

REVENUES

Licenses and permits - marriage	\$14,187
Intergovernmental revenues -	
State grant-Clerk's supplemental compensation	23,350
Fees, charges, and commissions for services:	
Court costs, fees, and charges	2,613,748
Fee for recording legal documents	2,300,182
Charges for copies	36,508
Charges for use of photocopier	120,862
Court attendance	12,400
Miscellaneous	14,568
Use of money and property	61,119
Total revenues	<u>5,196,924</u>

EXPENDITURES

Current:	
General government - judicial:	
Personal services	3,903,366
Operating services	583,717
Materials and supplies	83,636
Travel and other charges	50,443
Capital outlay	23,199
Total expenditures	<u>4,644,361</u>

EXCESS OF REVENUES OVER EXPENDITURES 552,563

FUND BALANCES AT BEGINNING OF YEAR 1,883,120

FUND BALANCES AT END OF YEAR \$2,435,683

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds (Statement D)	\$552,563
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	2,772
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(267,757)
Non-employer contributions to cost-sharing pension plan	264,640
Pension expense	<u>(166,150)</u>
Change in net position of governmental activities (Statement B)	<u>\$386,068</u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>NON SUPPORT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$7,679,082	\$2,912,940	\$236,996	\$10,829,018
Due from General Fund		1,339		1,339
Accounts receivable			10,528	10,528
TOTAL ASSETS	<u>\$7,679,082</u>	<u>\$2,914,279</u>	<u>\$247,524</u>	<u>\$10,840,885</u>
LIABILITIES				
Due to:				
General Fund	\$121,289		\$172,562	\$293,851
Accounts payable			2,808	2,808
Others	<u>7,557,793</u>	<u>\$2,914,279</u>	<u>72,154</u>	<u>10,544,226</u>
TOTAL LIABILITIES	<u>\$7,679,082</u>	<u>\$2,914,279</u>	<u>\$247,524</u>	<u>\$10,840,885</u>

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the 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. The clerk of court is elected for a term of four years.

The accompanying financial statements of the Ouachita Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

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

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

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

OUACHITA PARISH CLERK OF COURT

Monroe, Louisiana

Notes to the Financial Statements (Continued)

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

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Ouachita Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The clerk of court's basic financial statements include both government-wide (reporting the clerk of court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the clerk, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net Position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The clerk first uses restricted resources to finance qualifying activities.

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

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Allocation of Indirect Expenses - The clerk reports all direct expenses by function in the Statement of Activities (Statement B). 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, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

Governmental Fund Type

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

Fiduciary Fund Type - Agency Funds

The Advance Deposit, Registry of Court, Child Support and Judicial Expense agency funds are used to account for assets held as an agent for others. Agency

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Notes to the Financial Statements (Continued)

funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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Revenues

Intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the clerk of court has cash and cash equivalents (book balances) totaling \$12,900,114.

Demand deposits	\$10,848,739
Time deposits	2,050,000
Petty cash	<u>1,375</u>
Total	<u>\$12,900,114</u>

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

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 Notes to the Financial Statements (Continued)

Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk's name.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times are secured as follows:

Bank Balances	<u>\$13,024,383</u>
Federal deposit insurance	\$1,400,079
Pledged securities (uncollateralized)	<u>11,867,206</u>
Total	<u>\$13,267,285</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk has no threshold level for capitalizing capital assets, all assets are capitalized. Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

All employees of the clerk of court's office earn from five to twenty days of vacation leave and from one to ten days of sick leave each year, depending on length of service. Vacation leave must be taken during the year earned. Sick leave may be accumulated up to a maximum of twenty-five days. Any accumulated sick leave is forfeited upon termination of employment.

H. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

I. PENSION PLANS

The Ouachita Parish Clerk's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

J. OPEB PLAN

The Clerk's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The Clerk's OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk. Benefits are provided through the Louisiana Clerks of Court Insurance Trust ("LCCIT"), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute 13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are

accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

K. 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 borrowing 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 (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

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

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.

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Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$2,435,683. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

L. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

M. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

**N. CURRENT YEAR ADOPTION OF NEW ACCOUNTING
STANDARDS AND RESTATEMENT OF NET POSITION**

The Ouachita Parish Clerk of Courts' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a restatement of Net

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 Notes to the Financial Statements (Continued)

Position. The net effect to the Government-Wide Statement of Net Position of the Clerk by (\$3,506,322).

As of July 1, 2014, the Clerk implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions-Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the Clerk by \$279.

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2017, as previously stated	(\$4,374,000)
Net Change in OPEB & Net Pension Liability at June 30, 2018	<u>(3,506,043)</u>
Total Net Position, June 30, 2018, Restated	<u><u>(\$7,880,043)</u></u>

2. RECEIVABLES

The receivables of \$140,030 at June 30, 2018, are as follows:

<u>Class of receivables:</u>	<u>MAJOR FUND</u>	<u>AGENCY FUND</u>	<u>TOTAL</u>
Court costs, fees, and charges	\$90,763		\$90,763
Court attendance	2,072		2,072
Criminal fees	36,667		36,667
Other		\$10,528	10,528
Total	<u>\$129,502</u>	<u>\$10,528</u>	<u>\$140,030</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 2017	\$1,124,586
Additions	23,199
Deletions	<u>NONE</u>
Balance, June 30, 2018	\$1,147,785
Less accumulated depreciation	<u>(1,097,249)</u>
Net Capital Assets	<u><u>\$50,536</u></u>

**4. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY
INFORMATION FOR A COST-SHARING EMPLOYER**

The Louisiana Clerks' of Court Retirement Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1501 to provide retirement, disability and survivor benefits to clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees.

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

Summary of Significant Accounting Policies.

The Louisiana Clerks' of Court Retirement and Relief Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Louisiana Clerks' of Court Retirement and Relief Fund employer schedules were 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. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2017.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

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Notes to the Financial Statements (Continued)

Plan Description.

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

Plan Benefits

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3 percent of the members average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement age to 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

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

According to the state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19.0%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance any unfunded accrued liability. 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

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 Notes to the Financial Statements (Continued)

considered support from non-employer contributing entities, but are not considered special funding situations.

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

At June 30, 2017, the Clerk reported a liability of \$3,740,301 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerks' proportion of the net pension liability was based on a projection of the Clerks' long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks' actuarially determined. At June 30, 2017, the Clerks' proportion was 2.472 percent, which was an increase of .0994 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk recognized pension expense of \$587,658. At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$113,272	\$98,147
Changes in assumptions	163,127	
Net difference between projected and actual earnings on pension plan investments	51,224	
Changes in employers proportion of beginning net pension liability	131,305	5,686
Difference between employer contributions and proportionate share of employer contributions	367	478
Subsequent measurement contributions	454,653	
Total	\$913,948	\$104,311

\$454,653 reported as deferred outflows of resources related to pensions resulting from the Clerks' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:	
2018	\$102,612
2019	236,740
2020	119,174
2021	(103,542)
Total	354,984

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2017
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense
Projected salary increases	5.0%
Inflation rate	2.50%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Healthy Annuitant Table for healthy annuitants (set forward 1 year for males) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)
Expected remaining service lives	2014 - 5 years, 2015 - 5 years, 2016 - 5 years, 2017 - 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2017 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study performed over the period July 1, 2009 through June 30, 2014 unless otherwise specified.

The discounted rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the

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 Notes to the Financial Statements (Continued)

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.

The long-term expected rate of return on pension plan investments was determined using a building block method.

Sensitivity of the Clerks’ proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2017.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Clerks’ proportionate share of the net pension liability	\$5,724,004	\$3,740,301	\$2,056,209

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Benefits Provided - Medical, dental, vision, and life benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks’ of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: If a member is hired on or before December 31, 2010 then the member is eligible to receive regular retirement benefits once he or she has attained age 55 and completed 12 years of service. If a member is hired on or after January 1, 2011, then the member will be eligible to receive regular retirement benefits one he or she has attained age 60 and has at least 12 years of service.

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 Notes to the Financial Statements (Continued)

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

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

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>52</u>
Total employees	<u>83</u>

Total OPEB Liability

The Clerk’s total OPEB liability of \$7,004,891 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

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

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

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

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

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$6,781,774
Changes for the year:	
Service cost	236,328
Interest	271,601
Differences between expected and actual	(47,120)

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

Benefit payments and net transfers	(\$237,692)
Net Changes	<u>223,117</u>
Balance at June 30, 2018	<u><u>\$7,004,891</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
<u>Total OPEB liability</u>	<u>\$8,117,153</u>	<u>\$7,004,891</u>	<u>\$6,103,323</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
<u>Total OPEB liability</u>	<u>\$6,290,376</u>	<u>\$7,004,891</u>	<u>\$7,883,940</u>

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

For the year ended June 30, 2018, the Clerk recognized OPEB expense of \$76,058. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditures	NONE	(\$44,640)

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

Year ended June 30:	
2019	(\$2,480)
2020	(2,480)

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 Notes to the Financial Statements (Continued)

2021	(\$2,480)
2022	(2,480)
2023	(2,480)
Thereafter	(29,760)

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances deposits due others follows:

	Advance Deposit Fund	Registry of Court Fund	Non Support Fund	Total
Balance, July 1, 2017	\$7,033,789	\$5,204,170	NONE	\$12,237,959
Additions	3,229,584	801,453	96,821	4,127,858
Deletions	(2,705,580)	(3,091,344)	(24,667)	(5,821,591)
Balance June 30, 2018	<u>\$7,557,793</u>	<u>\$2,914,279</u>	<u>\$72,154</u>	<u>\$10,544,226</u>

7. LITIGATION AND CLAIMS

The Ouachita Parish Clerk of Court is not involved in any litigation at June 30, 2018, nor is she aware of any unasserted claims.

**8. EXPENDITURES OF THE CLERK OF COURT
 PAID BY THE PARISH POLICE JURY**

The Ouachita Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Ouachita Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
License and permits-marriage	\$18,000	\$16,000	\$14,187	(\$1,813)
Intergovernmental revenues-				
State - Clerk's supplemental compensation	22,800	22,800	23,350	550
Fees, charges, and commissions for services:				
Court costs, fees, and charges	2,403,600	2,413,630	2,613,748	200,118
Fee for recording legal documents	1,475,000	2,100,000	2,300,182	200,182
Charges for copies	100,000	35,000	36,508	1,508
Charges for use of photocopier	130,000	115,000	120,862	5,862
Court attendance	9,000	9,000	12,400	3,400
Miscellaneous	9,000	13,792	14,568	776
Use of money and property	40,000	56,000	61,119	5,119
Total revenues	<u>4,207,400</u>	<u>4,781,222</u>	<u>5,196,924</u>	<u>415,702</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and related benefits	3,837,219	3,962,219	3,903,366	58,853
Operating services	578,400	578,400	583,717	(5,317)
Materials and supplies	96,000	96,000	83,636	12,364
Travel and other charges	50,840	56,840	50,443	6,397
Capital Outlay	50,000	50,000	23,199	26,801
Total expenditures	<u>4,612,459</u>	<u>4,743,459</u>	<u>4,644,361</u>	<u>99,098</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(405,059)	37,763	552,563	514,800
FUND BALANCE AT BEGINNING OF YEAR	<u>1,700,000</u>	<u>1,886,058</u>	<u>1,883,120</u>	<u>2,938</u>
FUND BALANCE AT END OF YEAR	<u>\$1,294,941</u>	<u>\$1,923,821</u>	<u>\$2,435,683</u>	<u>\$517,738</u>

See accompanying note to budgetary comparison schedule.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2018

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Ouachita Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

Ouachita Parish Clerk of Court
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2018

Schedule of Funding Progress

Total OPEB Liability

Service cost	\$236,328
Interest	271,601
Changes of benefits terms	NONE
Differences between expected and actual experience	(47,120)
Changes of assumptions	NONE
Benefit payments	<u>(237,692)</u>
Net change in total OPEB liability	223,117
Total OPEB liability - beginning	<u>6,781,774</u>
Total OPEB liability - ending	<u>\$7,004,891</u>
Covered employee payroll	\$2,405,097
Net OPEB liability as a percentage of covered-employee payroll	291.25%

Note:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2018

Changes of Assumptions. There were no changes of assumptions for the year ended June 30, 2018.

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

Ouachita Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
June 30, 2018

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	2.368190%	\$3,194,365	\$2,134,316	149.67%	87.34%
June 30, 2016	2.359142%	\$3,538,787	\$2,165,683	163.40%	99.23%
June 30, 2017	2.372737%	\$4,389,502	\$2,230,276	196.81%	82.10%
June 30, 2018	2.472217%	\$3,740,301	\$2,392,911	156.31%	88.49%

Note: - The amounts presented have a measurement date of the previous fiscal year end.

**Ouachita Parish Clerk of Court
Schedule of Employer Contributions
June 30, 2018**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$405,520	\$405,520	\$0	\$2,134,316	19.00%
June 30, 2016	\$411,480	\$411,480	\$0	\$2,165,683	19.00%
June 30, 2017	\$423,753	\$423,753	\$0	\$2,230,276	19.00%
June 30, 2018	\$454,653	\$454,653	\$0	\$2,392,911	19.00%

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

OTHER SUPPLEMENTARY INFORMATION

PART III

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018

LOUISE BOND, CLERK OF COURT

PURPOSE	AMOUNT
Salary	\$122,671
Expense Allowance	14,607
Supplemental Compensation	23,400
Election expense	2,400
Benefits-insurance	10,297
Benefits-retirement	30,529
Car Allowance	23,953
Per Diem	755
Registration fees	1,310
Housing and lodging	3,283
Membership dues-Clerk's Association	2,395

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2018

FIDUCIARY FUND TYPE - AGENCY FUNDS

ADVANCE DEPOSIT FUND

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

REGISTRY OF COURT FUND

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

NON SUPPORT FUND

The Non Support Fund accounts for funds which have been received from the Louisiana Department of Social Services after judgement has been rendered in court litigation. The funds are disbursed to the appropriate bodies and others.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in
Unsettled Deposits Due to Others
For the Year Ended June 30, 2018

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	NON SUPPORT FUND	TOTAL
UNSETTLED DEPOSITS DUE TO OTHERS AT JUNE 30, 2017	<u>\$7,033,789</u>	<u>\$5,204,170</u>	NONE	<u>\$12,237,959</u>
ADDITIONS				
State of Louisiana - non support Suits and successions	3,229,584	777,908	\$96,821	4,007,492
Interest earned on investments		23,545		23,545
Total additions	<u>3,229,584</u>	<u>801,453</u>	<u>96,821</u>	<u>4,127,858</u>
Total	<u>10,263,373</u>	<u>6,005,623</u>	<u>96,821</u>	<u>16,365,817</u>
REDUCTIONS				
Clerk's costs (transferred to General Fund)	1,816,466			1,816,466
Settlements to litigants	275,340	3,091,344		3,366,684
Curators fees	63,032			63,032
Stenographer's fees	13,439			13,439
Sheriff's fees	328,058		24,667	352,725
Judges supplemental fund	100,359			100,359
Other fees	33,476			33,476
Other reductions	75,410			75,410
Total reductions	<u>2,705,580</u>	<u>3,091,344</u>	<u>24,667</u>	<u>5,821,591</u>
UNSETTLED DEPOSITS DUE TO OTHERS AT JUNE 30, 2018	<u>\$7,557,793</u>	<u>\$2,914,279</u>	<u>\$72,154</u>	<u>\$10,544,226</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**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 *Government Auditing Standards***

HONORABLE LOUISE BOND
OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Ouachita Parish Clerk of Court, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Ouachita Parish Clerk of Court's basic financial statements, and have issued my report thereon dated February 13, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist 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 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.

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

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2018

Compliance and Other Matters

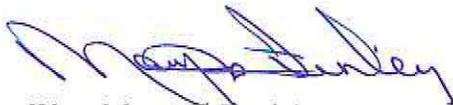
As part of obtaining reasonable assurance about whether Ouachita Parish Clerk of Court's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 2018-001 and 2018-002 in the accompanying schedule of findings and questioned costs.

Ouachita Parish Clerk of Court's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ouachita Parish Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ouachita Parish Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana
February 13, 2019

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Ouachita Parish Clerk of Court.
2. Two instances of noncompliance material to the financial statements of the Ouachita Parish Clerk of Court were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2018-001 Failing to file Financial Statements Pursuant to R.S. 24:513 B.(3)

Condition: The Ouachita Parish Clerk of Court's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of December 31, 2018.

Criteria: State law requires audited financial statements of governments to be submitted within six months of year end.

Cause of Condition: Management was unable to provide a complete set of books in time for the external auditor to complete the audit by its due date.

Effect of Condition: Material noncompliance relating to the financial statements.

Recommendation: Management should have financial records completed in a timely manner.

Response: Before June 2018 year end our Independent Consultant, George McGuffee, was unexpectedly unable to provide his services to our office any longer due to illness. A few months later, our in house bookkeeper left his employment, also unexpectedly. We hired a new bookkeeper but at this point we were unable to complete our audit in a timely manner.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Schedule of Findings and Questioned Costs (cont)
For the Year Ended June 30, 2018

2018-002 Failing to Comply with Article 7, Section 14 of the Louisiana Constitution

Condition: While performing various audit procedures, it was noted that the Ouachita Parish Clerk of Court paid excess leave time to an employee.

Criteria: Article 7, Section 14 of the Louisiana Constitution prohibits any governmental entity from loaning, pledging or donating anything of value to any person, association, or corporation, public or private.

Cause of Condition: An employee of the Clerk of Court's office was paid excess leave time which she had not earned.

Effect of Condition: Material noncompliance relating to the financial statements.

Recommendation: Management should track all leave time earned and used to ensure no employee is paid excess time not earned.

Response: In the review of leave activity on employee, Amanda Belgard, there were some errors in unearned leave time applied to her account by the previous bookkeeper. As per the policy manual, the Clerk gave her extra time on 2 occasions, one for surgery and the other to take her special needs child to New Orleans for treatment. Also, the employee did not turn in PTO leave slips on several occasions and this was not caught by the previous bookkeeper. There was also earned time given for her one year anniversary by the bookkeeper that was also added automatically by the computer system. This error was not caught by the previous bookkeeper.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

There were no findings reported in the audit report for the year ended June 30, 2018.

OUACHITA PARISH CLERK'S OFFICE
LOUISE BOND, CLERK OF COURT

301 South Grand Room 104
Monroe, LA 71201
318.327.1444

P.O. Box 1862
Monroe, LA 71210-1862
318.327.1462 (fax)

February 13, 2019

Mary Jo Finley, CPA
116 Professional Drive
West Monroe, LA 71291

Following is the Ouachita Parish Clerk of Court's response to the report of findings found during your testing performed in accordance with the LLA's Audit Procedures:

1. In response to the finding of **Failing to file Financial Statements Pursuant to R.S. 24:513 B. (3)** Before June 2018 year end our Independent Consultant, George McGuffee, was unexpectedly unable to provide his services to our office any longer due to illness. A few months later, our in house bookkeeper left his employment, also unexpectedly. We hired a new bookkeeper but at this point we were unable to complete our audit in a timely manner.
2. In response to the finding of **Failing to Comply with Article 7, Section 14 of the Louisiana Constitution.** In the review of leave activity on employee, Amanda Belgard, there were some errors in unearned leave time applied to her account by the previous bookkeeper. As per the policy manual, the Clerk gave her extra time on 2 occasions, one for surgery and the other to take her special needs child to New Orleans for treatment. Also, the employee did not turn in PTO leave slips on several occasions and this was not caught by the previous bookkeeper. There was also earned time given for her one year anniversary by the bookkeeper that was also added automatically by the computer system. This error was not caught by the previous bookkeeper.

Regards,



Louise Bond,
Clerk of Court

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Ouachita Parish Clerk of Court
PO Box 1802
Monroe, LA 71210

To the Ouachita Parish Clerk of Court's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Ouachita Parish Clerk of Court's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. Management of Ouachita Parish Clerk of Court's Office 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, I 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:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. The Ouachita Parish Clerk of Court has no written policies and procedures for the test period.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

2. The Ouachita Parish Clerk of Court's office does not have a board or a finance committee therefore this procedure is not applicable.

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:

- 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);
- 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
- 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.

The agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. A random sample of 5 bank accounts were selected for testing.

For the 5 bank accounts selected it was determined that the bank reconciliations were dated to show evidence that they were reconciled within 2 months of the closing date of the statements. The bank reconciliations were performed by the bookkeeper, and reviewed by an outside consultant. 1 of the 5 accounts had outstanding reconciling items over 12 months.

COLLECTIONS

- 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).

Agency provided me with a certified list of deposit sites and I verified that it was 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.
- 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.
- 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.

- 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 clerk's office has a risk management policy but it does not cover employee theft. The agency has 8 cash drawers (upstairs and downstairs). Multiple deputies work out of each of the cash drawers. All recording and other cost collection payments received at the main desk upstairs are posted to the accounting software when received by the deputies. One of the deputies reconciles the cash drawer at the end of the day and prepares the deposit. The bookkeeper makes the deposit. The bank reconciliation is prepared by the bookkeeper.

The other cash drawers are for other areas of the Clerk's office. The money is collected by the deputies and the drawers are not reconciled on a daily basis. There is no specific time that the other cash drawers are taken to the main floor register to be recorded in the system. At the end of the month, the advance costs are imported into the accounting software and checks are disbursed at the end of the month. The bookkeeper reconciles the bank statement. An outside consultant reviews all bank reconciliations.

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

The Clerk does not have employee theft insurance coverage on the employees.

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 statement 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.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,
- C) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- E) Trace the actual deposit per the bank statement to the general ledger.

The Clerk does not use pre-numbered receipts, the system generates receipts when money is collected. Deposit documentation was traced to the cash register information for the days receipts. The deposit slips selected were traced to the bank statements for all accounts. The

Clerk's office main cash drawer in the upstairs area makes daily deposits. The clerk's office other cash drawers do not collect more than \$100 daily in each one, but they are not deposited on a weekly basis. The deposit slips selected were traced from the bank statements to the general ledger posting.

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).

Agency provided a complete list of locations that process payments and represented that the list was 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 initialing 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.
- 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.
- 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 Clerk does not use a purchase order system. The Clerk's secretary initiates all purchases and the Clerk approves all purchases. The Clerk has ultimate approval on all purchases. The accounts payable deputy initiates all checks and the Clerk signs all checks. The bookkeeper adds any new vendors and the Clerk approves all new vendors added. The Clerk gives all signed checks to the bookkeeper to mail.

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.

- B) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

All disbursements selected to be tested had the proper support documentation. The accounts payable deputy initiates all checks and the Clerk signs all checks. The bookkeeper reconciles the bank statements and an outside consultant reviews all reconciliations.

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.

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

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, 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 Lawriason Act municipality); these instances should not be reported.]]

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

The accounts payable deputy reviews and attaches proper support to the credit card statement. For the card tested, there were service charges and interest charges noted.

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 for the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

All transactions tested had the proper documentation and appeared to be for business purposes.

TRAVEL AND EXPENSE REIMBURSEMENT

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 form/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete.

- 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.

The agency is using the established rate and that is being paid to the employees. Amounts tested for reimbursement at per diem rates had the proper documentation. It was noted the expenditures were for business purposes. The Clerk reimbursements were not approved by anyone other than the Clerk. All reimbursements were supported by proper documentation. No meal charges were tested. The Clerk reviews and approves all travel reimbursements. No one other than the Clerk reviews the reimbursements for the Clerks travel expenses.

CONTRACTS

15. The Ouachita Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

PAYROLL AND PERSONNEL

16. The Ouachita Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
17. The Ouachita Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

18. The Ouachita Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Ouachita Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

ETHICS (EXCLUDING NONPROFITS)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance 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.

The agency provided support for ethics training for the five randomly selected employees above. The agency did not have any documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

21. The Ouachita Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
22. The Ouachita Clerk of Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

OTHER

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.

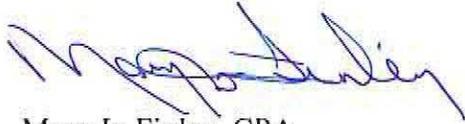
The clerk's office has no known misappropriation of funds during the test period.

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.

I observed the fraud hotline notice posted on the premises.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



Mary Jo Finley, CPA
February 13, 2019

OUACHITA PARISH CLERK'S OFFICE
LOUISE BOND, CLERK OF COURT

301 South Grand Room 104
Monroe, LA 71201
318.327.1444

P.O. Box 1862
Monroe, LA 71210-1862
318.327.1462 (fax)

February 13, 2019

Mary Jo Finley, CPA
116 Professional Drive
West Monroe, LA 71291

Following is the Ouachita Parish Clerk of Court's response to the report of exceptions found during your testing performed in accordance with the LLA's Statewide Agreed-Upon Procedures:

1. We agree that written policies and procedures are needed and we are in the process of committing our policies and procedures to writing.
2. We are in the process of researching and clearing up any checks that have been outstanding for more than 6 months.
5. We are in the process of looking at getting a theft policy. It would not be cost effective for each employee to operate their own cash draw.
6. It would not be cost effective for each employee to operate their own cash draw.
7. Written policies and procedures are being developed to determine completeness of collections and revenue sources.
12. We will make sure the Credit Card statements are paid in a timely manner.
20. We are in the process of developing a written Ethics Policy Manual.

Regards,



Louise Bond,
Clerk of Court