

EAST CARROLL PARISH CLERK OF COURT

LAKE PROVIDENCE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

With

INDEPENDENT AUDITOR'S REPORT

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA**

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THE HALFORD FIRM, PLLC

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INDEPENDENT AUDITOR'S REPORT

Beatrice Carter
East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Clerk of Court as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the East Carroll Parish Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the East Carroll Parish Clerk of Court, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 and the budgetary comparison information on page 32 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Carroll Parish Clerk of Court's basic financial statements. The supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements.

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The other supplementary information listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Carroll Parish Clerk of Court's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, benefits, and other payments to agency head on page 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated December 12, 2019, on our consideration of the East Carroll Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Carroll Parish Clerk of Court's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 12, 2019

REQUIRED SUPPLEMENTARY INFORMATION

PART I

EAST CARROLL PARISH CLERK OF COURT MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the East Carroll Parish Clerk of Court (the Clerk), we offer readers of the Clerk's financial statements this narrative overview and analysis of the financial activities of the Clerk as of and for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Clerk's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The liabilities of the Clerk exceeded its assets at June 30, 2019, by \$731,730 (net deficit).

The Clerk's net position decreased by \$28,610 as a result of this year's operations.

Total net position is comprised of the following:

Capital assets of \$29,174 include property and equipment, net of accumulated depreciation and related debt.

Unrestricted net position (deficit) of \$760,904 represents the portion available to maintain the Clerk's continuing obligations to citizens and creditors.

At June 30, 2019, the Clerk's governmental funds consist solely of the Clerk's general fund. The Clerk's governmental funds reported a total ending fund balance of \$86,657, a decrease of \$20,411. The entire fund balance is unassigned and available for spending at the Clerk's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the Clerk's basic financial statements. In accordance with GASB No. 34, the Clerk's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements of the Clerk report information about the Clerk using accounting methods similar to those used by private sector companies. They present the financial picture of the Clerk from an economic resources' measurement focus using the accrual basis of accounting. These statements include all assets of the Clerk (including capital assets) as well as all liabilities (including long-term obligations).

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

The Statement of Activities presents the current year's revenues and expenses and other information showing how the Clerk's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the 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.

The government-wide financial statements are presented on pages 9 and 10 of this report.

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 Clerk, 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 Clerk are categorized as governmental 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 Clerk maintains one individual governmental fund - the general fund. The Clerk adopts an annual appropriated budget for the general fund, and a budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements begin on page 11.

Notes to the Financial Statements. The notes provide additional information that is essential for 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 Clerk's performance. The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

The Clerk's net position at June 30, 2019, is summarized as follows:

The largest component of the Clerk's total assets is investments of \$60,000 or 47%. Of the Clerk's total liabilities, the largest component is net OPEB obligation of \$520,638 or 50%.

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, the Clerk's liabilities exceeded assets by \$731,730. A portion of the Clerk's net position reflects its investments in capital assets (e.g., building, land, and equipment). Capital assets are non-liquid assets and cannot be utilized to satisfy the Clerk's obligations. The unrestricted net position of the Clerk is available for future use.

Management's Discussion and Analysis
Page Three

The following table reflects a condensed statement of the Clerk's net position as of June 30, 2019, and 2018:

	<u>Governmental-Type Activities</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Assets		
Current & other assets	\$ 99,021	\$ 132,316
Capital assets	29,174	5,841
Total Assets	<u>128,195</u>	<u>138,157</u>
 Deferred Outflows of Resources	 <u>223,667</u>	 <u>159,711</u>
 Liabilities		
Other liabilities	12,364	25,248
Long-term liabilities	1,034,847	950,998
Total Liabilities	<u>1,047,211</u>	<u>976,246</u>
 Deferred Inflows of Resources	 <u>36,381</u>	 <u>24,742</u>
 Net Position (Deficit)		
Invested in capital assets, net	29,174	5,841
Unrestricted	(760,904)	(708,961)
Total Net Position (Deficit)	<u>\$ (731,730)</u>	<u>\$ (703,120)</u>

Governmental activities decreased net position by \$28,610 for the year ended June 30, 2019. Key elements of the analysis of government-wide revenues and expenses reflect the following:

The Clerk is heavily dependent on court costs and recording fees to support its operations. Court costs and recording fees provided 42% and 44%, of the Clerk's total revenues, respectively. The Clerk's operations are heavily staff oriented. As a result, employees' salaries and benefits make up approximately 70% of the total expenses.

Management's Discussion and Analysis
Page Four

The following is a summary of the statement of activities:

	2019	2018
Revenues		
Program revenue	\$ 469,810	\$ 461,483
General revenue	53,619	23,913
Total Revenue	<u>523,429</u>	<u>485,396</u>
Expenses		
Program expenses	552,039	509,042
Total Expenses	<u>552,039</u>	<u>509,042</u>
Change in Net Position	(28,610)	(23,646)
Net Position (Deficit) - beginning	<u>(703,120)</u>	<u>(679,474)</u>
Net Position (Deficit) - ending	<u>\$ (731,730)</u>	<u>\$ (703,120)</u>

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements of the Clerk present its General Fund. The General Fund is the Clerk's operating fund and the source of day-to-day service delivery. The General Fund is useful in assessing the resources available at the end of the year in comparison with upcoming requirements.

At June 30, 2019, the Clerk's General Fund balance (total assets less total liabilities) totaled \$86,657. The Clerk's unassigned fund balance decreased by \$20,411 in 2019.

Total revenues reflect an increase of \$38,024 in 2019 as compared to 2018. The bulk of this was grant revenue.

Total expenditures increased by \$45,929 from 2018 to 2019. \$28,286 or 62% of this increase was in capital outlay.

GENERAL BUDGETARY ANALYSIS

The Clerk employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual (Budgetary Basis) include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before June 30, of the year preceding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the Clerk at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared at the time the Clerk anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

GENERAL BUDGETARY ANALYSIS- cont.

The difference between the final amended budgeted revenues and actual revenues for the year ended June 30, 2019, totaled \$(5,713), a negative variance. The actual expenditures were less than the final amended budgeted expenditures for the year ended June 30, 2019, by \$33,167, a positive variance.

CAPITAL ASSETS

Capital Assets

At the end of June 30, 2019, the Clerk had invested in various capital assets, including equipment, and furniture. The capital assets are summarized below:

Depreciable assets:	
Furniture and equipment	\$ 94,547
Less Accumulated Depreciation	<u>(65,373)</u>
Book-Value of Depreciable Assets	<u>\$ 29,174</u>

ECONOMIC FACTORS AND FUTURE OUTLOOK

The Clerk's budgeted revenues and expenditures for 2020 are comparable to 2019's actual revenues and expenditures. The Clerk does not anticipate any changes in its day-to-day operations that will have a material effect on its 2020 budget.

CONTACTING THE CLERK'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Clerk's finances and to show its accountability for the money it receives. If you have question about this report or need additional financial information, contact Beatrice Carter, at the Clerk's office, East Carroll Parish Courthouse, Lake Providence, Louisiana 71254, or call at (318) 559-2399.

BASIC FINANCIAL STATEMENTS

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF NET POSITION JUNE 30, 2019**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 34,751
Investments	60,000
Receivables	2,056
Prepaid expense	2,214
Total current assets	<u>99,021</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>29,174</u>
Total Assets	<u>128,195</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	173,917
OPEB related	49,750
Total deferred outflows of resources	<u>223,667</u>
LIABILITIES	
Current liabilities:	
Accounts payable	4,139
Accrued payroll and related benefits	2,116
Deferred revenue	6,109
Long-term Liabilities:	
Compensated absences payable	25,985
Net OPEB obligation	520,638
Net pension liability	488,224
Total Liabilities	<u>1,047,211</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	27,359
OPEB related	9,022
Total deferred inflows of resources	<u>36,381</u>
NET POSITION (DEFICIT)	
Invested in capital assets	29,174
Unrestricted (Deficit)	<u>(760,904)</u>
Total Net Position (Deficit)	<u>\$ (731,730)</u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Expenses

General government	
Personal services	\$ 413,545
Operating services	14,972
Materials and supplies	93,218
Travel and other charges	25,352
Depreciation	4,952
Total expenses	<u>552,039</u>

Program Revenues

Charges for services:	
Court costs, fees, and charges	218,888
Fees for recording legal documents	228,931
Fees for certified copies of documents	1,422
Charges for use of photocopier	12,078
Elections	7,959
Licenses and permits	532
Total program revenues	<u>469,810</u>

Net program revenue (82,229)

General Revenues

Intergovernmental	52,786
Interest income	833
Total general revenues	<u>53,619</u>

Change in Net Position (28,610)

Net Position (Deficit) - Beginning of Year (703,120)

Net Position (Deficit) - Ending of Year \$ (731,730)

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 34,751
Investments	60,000
Receivables	2,056
Prepaid expense	<u>2,214</u>
Total Assets	<u><u>99,021</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts, salaries, and other payables	6,255
Deferred revenue	<u>6,109</u>
Total Liabilities	<u>12,364</u>
Fund Balance:	
Unassigned	<u>86,657</u>
Total Fund Balance	<u>86,657</u>
Total Liabilities and Fund Balance	<u><u>\$ 99,021</u></u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds	\$ 86,657
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Governmental capital assets	\$ 94,547
Less accumulated depreciation	<u>(65,373)</u>
	29,174
Receivables collected more than 60 days after the current period are not recorded on the fund financial statements	-
The deferred outflows of expenditures for the Clerks' of Court Retirement and Relief Fund are not a use of current resources, and therefore, are not reported in the fund financial statements	223,667
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:	
Compensated absences	25,985
OPEB payable	520,638
Net pension liability	<u>488,224</u>
	(1,034,847)
The deferred inflows of contributions for the Clerks' of Court Retirement and Relief Fund are not available current resources, and therefore, are not reported in the fund financial statements	<u>(36,381)</u>
Net Position of Governmental Activities	<u>\$ (731,730)</u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

Revenues

Charges for services:	
Court costs, fees, and charges	\$ 218,888
Fees for recording legal documents	228,931
Fees for certified copies of documents	1,422
Charges for use of photocopier	12,078
Elections	7,959
Licenses and permits	532
Intergovernmental	52,786
Interest income	833
Total Revenues	<u>523,429</u>

Expenditures

General government:	
Personal services	382,012
Operating services	14,972
Materials and supplies	93,218
Travel and other charges	25,352
Capital outlay	28,286
Total Expenditures	<u>543,840</u>

Excess (Deficiency) of Revenues Over Expenditures	(20,411)
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Fund Balance - Beginning of Year	<u>107,068</u>
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Fund Balance - End of Year	<u>\$ 86,657</u>
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See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, total governmental funds		\$(20,411)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		23,333
The increase in compensated absences payable in the current period is not recorded in the governmental funds.		(6,369)
Governmental funds do not report funds received more than 60 days after year end, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities:		-
The Statement of Activities reported the unfunded cost of post employment medical insurance (OPEB) in the current year, but the costs will not be reported in the governmental funds until actually paid.		(14,936)
Net pension expense is reported in governmental funds as an expenditure when it is paid, but is reported in the Statement of Activities according to estimates required by GASB 68:		
Pension expenses paid	49,005	
Pension expenses per GASB 68	<u>(59,232)</u>	
		<u>(10,227)</u>
Change in Net Position of Governmental Activities		<u><u>\$(28,610)</u></u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Advance Deposit Fund	Registry Of Court Fund	Total Agency Funds
Assets			
Cash and cash equivalents	\$ 76,822	\$ 38,816	\$ 115,638
Investments	35,461	-	35,461
Total Assets	112,283	38,816	151,099
Liabilities			
Accounts payable	320	-	320
Unsettled deposits	111,963	38,816	150,779
Total Liabilities	\$ 112,283	\$ 38,816	\$ 151,099

See accompanying notes and Independent Accountant's Review Report.

NOTES TO THE FINANCIAL STATEMENTS

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

INTRODUCTION

NOTE 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 has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Clerk have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Government 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.

B. REPORTING ENTITY

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

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. REPORTING ENTITY - continued

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the East Carroll Parish Police Jury. The police jury maintains and operates the parish courthouse in which the Clerk's office is located and provides funds for equipment and furniture of the Clerk's office. The Clerk was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

Governmental funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs of operations of the Clerk. The following are the Clerk's governmental funds:

General Fund - The primary operating fund of the Clerk, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk's policy.

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

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Clerk. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Fund Financial Statements (FFS)

The amounts reflected in the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance – governmental fund, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance 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 is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements 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.

E. 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 maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets and related expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Furniture and Fixtures	5-10 years
Vehicles	4-5 years

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. FUND EQUITY

Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Clerk itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Clerk takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Clerk intends to use for a specific purpose. Intent is expressed by the Clerk.

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Clerk establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Clerk through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America, or under the laws of the United States of America.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. BUDGETARY PRACTICES

The Clerk's annual budget is adopted using the prior year's revenues and expenditures as a guide. The budget is reviewed and adjusted every six months for extraordinary revenues or expenditures. The budget presented in the accompanying financial statements is shown on the GAAP basis of accounting.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All annual appropriations lapse at the year end.

I. INVESTMENTS

Investments with original maturities exceeding 90 days are classified as investments. Investments with maturities of 90 days or less are classified as cash equivalents. At June 30, 2019, all of the Clerk's investments were certificates of deposit with original maturities in excess of 90 days.

J. COMPENSATED ABSENCES

The Clerk of Court has the following policy related to vacation and sick leave:

Employees accrue 10 days annual leave each year and 12 days sick leave each year. There is no limit on the accumulation of annual leave. There is no accumulation of sick leave. Upon retirement or death, employees are paid for all unused annual leave.

The Clerk's recognition and measurement criteria for compensated absences are as follows:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the Clerk will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The current portion, if any, of the liability for compensated absences is reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is adjusted into the government-wide statements.

At June 30, 2019, employees of the Clerk of Court had accumulated and vested employee leave benefits of \$25,985. The liability is recorded as a long-term obligation in the government-wide financial statements.

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. These amounts are reported as deferred outflows of resources and/or deferred inflows of resources in the government-wide financial statements.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued.

L. RISK MANAGEMENT

The Clerk is exposed to various risks 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 her 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.

M. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Clerk 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 amount of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

As reflected in the financial statements, the East Carroll Parish Clerk of Court had cash and cash equivalents totaling \$150,389 at June 30, 2019, which was insured from loss by FDIC insurance. Cash and investments are stated at cost which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

NOTE 3 - INVESTMENTS

At June 30, 2019, the Clerk had investments totaling \$95,461 which included only certificates of deposit, each having an original maturity in excess of 90 days from the date acquired. The investments are in the name of the Clerk and are held at the Clerk's office. These investments are covered by FDIC insurance.

NOTE 4 - RECEIVABLES

The General Fund receivables at June 30, 2019, are as follows:

	Fund Statement	Government- Wide
Advance deposit fund	\$ 320	\$ 320
Non-support	1,683	1,683
Xerox copies	43	43
Other	10	10
Total	<u>\$ 2,056</u>	<u>\$ 2,056</u>

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 5 - CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Equipment	\$ 66,261	\$ 28,286	\$ -	\$ 94,547
Total capital assets	<u>66,261</u>	<u>28,286</u>	<u>-</u>	<u>94,547</u>
Less:				
Accumulated depreciation	<u>(60,420)</u>	<u>(4,953)</u>	<u>-</u>	<u>(65,373)</u>
Total capital assets, net	<u>\$ 5,841</u>	<u>\$ 23,333</u>	<u>\$ -</u>	<u>\$ 29,174</u>

NOTE 6 - PENSION PLAN

Substantially all employees of the East Carroll Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund, a multiple-employer, public employee retirement system controlled and administered by a separate board of trustees.

All regular employees earning at least \$100 per month who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Members are required to contribute 8.25% of their annual covered salary and the East Carroll Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 19.00% of annual covered payroll. The East Carroll Parish Clerk of Court contributed an entire 27.25%. The East Carroll Parish Clerk of Court's contribution for the year ending June 30, 2019, was \$69,689, equal to the required contributions of the year.

The Louisiana Clerks of Court Association issues a publicly available Actuarial Valuation and required supplementary information. That information may be obtained by writing to Louisiana Clerks of Court Association, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 6 - PENSION PLAN- continued

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

At June 30, 2019, the Clerk reported a liability of \$488,224 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks, actuarially determined. At June 30, 2018, the Clerk's proportion was .293527 percent, which was a decrease of .014327 from its proportion as of June 30, 2017.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$59,232. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,957	\$ 4,823
Changes of assumptions	50,725	-
Net difference between projected and actual earnings on pension plan investments	9,319	-
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	31,227	22,536
Clerk contributions subsequent to the measurement date	69,689	-
Total	\$ 173,917	\$ 27,359

\$69,689 reported as deferred outflows of resources related to pensions resulting from Clerk contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2019	\$	38,534
2020		30,496
2021		(389)
2022		35,587

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 6 - PENSION PLAN – continued

Actuarial assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.75%, net of investment expense, including inflation
Projected salary increases	5.00%
Inflation rate	2.50%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females.
Expected Remaining Service Lives	2018 - 5 years 2017 - 5 years 2016 - 5 years 2015 - 5 years 2014 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The mortality rate assumption used was verified by combing data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 – June 30, 2014.

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The results of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 6 - PENSION PLAN – continued

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

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2018, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.0%	1.75%
Core plus fixed income	15.0%	2.00%
Domestic Equity:		
Large cap domestic equity	21.0%	4.50%
Nonlarge cap domestic equity	7.0%	4.75%
International Equity:		
Large cap international equity	14.0%	4.75%
Small cap international equity	6.5%	4.50%
Emerging markets	6.5%	6.25%
Real Estate	10.0%	4.00%
Master Limited Partnerships	5.0%	6.00%
Hedge Funds	10.0%	3.50%
	100.0%	

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on these 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.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 6 - PENSION PLAN – continued

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate at June 30, 2018.

	Changes in Discount Rate 2018		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.75%	6.75%	7.75%
Net Pension Liability	\$ 746,385	\$ 488,224	\$ 274,230

NOTE 7 - DEFERRED COMPENSATION PLAN

Plan Description. The East Carroll Parish Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Clerk employees, permits the employees to defer a portion of their salary until future years. The Clerk matches 100% of employee contributions. The Clerk's contribution to the plan amounted to \$9,000 and \$9,000 for the years ended June 30, 2019, and 2018, respectively. The deferred compensation is not available to employees until termination, retirement, death or proof of hardship.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participant's rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

NOTE 8 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The Clerk's long-term obligations are as follows for the year ended June 30, 2019:

	Compensated Absences	Pension Liability	OPEB	Total
Balance, June 30, 2018	\$ 19,616	\$ 465,763	\$ 465,619	\$ 950,998
Additions	6,369	92,150	81,655	180,174
Deletions	-	(69,689)	(26,636)	(96,325)
Balance, June 30, 2019	\$ 25,985	\$ 488,224	\$ 520,638	\$ 1,034,847

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 9 - LITIGATION AND CLAIMS

The Clerk is not involved in any litigation at June 30, 2019, nor is it aware of any unasserted claims.

NOTE 10 - HEALTH AND LIFE INSURANCE BENEFITS

The Louisiana Clerk of Court Association provides healthcare and life insurance benefits for its employees. Substantially, all of the Clerk's General Fund employees are covered by the Louisiana Clerk of Court Association Insurance Program. During the year ended June 30, 2019, the General Fund paid for those benefits.

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description. The Clerk's defined benefits 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 Louisiana Clerks of Court Insurance Trust ("LCCIT"), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute §13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

Benefits Provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provided for payments of 100% of retiree pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The benefit terms also provide payment for 0% of dependent dental and vision insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

Employees covered by benefit terms. At January 1, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	2
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	5
Total	7

Total OPEB Liability

The Clerk's total OPEB liability of \$520,638 was measured as of June 30, 2019, and was determined by an actuarial valuation as of January 1, 2018.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS-continued

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

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.13%
Health Care Cost Trend Rates	
Medical:	-4.76% in first year, then 6.75% decreasing 0.25% per year to an ultimate rate of 5.0%.
Medicare Supplement:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging.
Dental:	-0.69% for 2019, 3.25% for 2020, decreasing 0.25% per year to an ultimate rate of 3.0% for 2021 and later years.
Vision:	-9.98% for 2019, then 3.0% per year.
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 100% for dependents.
Medicare Supplement:	0% for retirees and 100% for dependents.
Dental:	0% for retirees and 100% for dependents.
Vision:	0% for retirees and 100% for dependents.
Basic Life Insurance:	0%

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

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

Mortality rates for retirees and surviving spouses were based on the PubG.H-2010 Healthy Annuitant Mortality Table, with generational with Projection Scale MP-2018 for males or females, as appropriate.

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

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS-continued

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/18	\$ 465,619
Changes for the year:	
Service cost	11,651
Interest	14,681
Difference between expected and actual experience	(10,149)
Change in assumptions/inputs	55,323
Change in benefits terms	-
Benefit payments	(16,487)
Administrative expense	-
Net Changes	55,019
Balance at 6/30/2019	\$ 520,638

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 (2.31%) or 1-percentage-point higher (4.31%) than the current discount rate:

	1% Decrease (2.31%)	Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB Liability	\$ 611,866	\$ 520,638	\$ 446,276

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 446,744	\$ 520,638	\$ 618,749

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

For the year ended June 30, 2019, the Clerk recognized an OPEB expense \$31,424. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS-continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 574	\$ 9,022
Changes of assumptions or other inputs	49,176	-
	<u>\$ 49,750</u>	<u>\$ 9,022</u>

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

Year Ended June 30:	
2020	\$ 5,091
2021	\$ 5,091
2022	\$ 5,091
2023	\$ 5,091
2024	\$ 5,091
Thereafter	\$ 15,273

NOTE 12 - EXPENSES OF THE CLERK PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the Clerk's office are paid by the parish police jury. The Police Jury paid the electric bills for the Clerk's office, and provided office space. None of these expenses are included in the financial statements.

NOTE 13 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	<u>June 30, 2018</u>	<u>Unsettled Deposits</u>		<u>June 30, 2019</u>
		<u>Additions</u>	<u>Reductions</u>	
Agency Funds	\$ 103,220	\$ 142,279	\$ 133,536	\$ 111,963
Registry of Court Fund	26,713	17,103	5,000	38,816
Total	<u>\$ 129,933</u>	<u>\$ 159,382</u>	<u>\$ 138,536</u>	<u>\$ 150,779</u>

-continued

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 14 - FIDUCIARY FUND TYPE - AGENCY FUNDS

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

Registry of Court Fund - As provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 12, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
GOVERNMENTAL FUND – GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET (NON GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Xerox	\$ 13,500	\$ 11,100	\$ 12,078	\$ 978
Recording	211,000	231,200	228,931	(2,269)
Cancellation	500	380	375	(5)
Mortgage certificates	400	375	352	(23)
Marriage licenses	1,300	540	532	(8)
Notary	1,100	1,255	1,265	10
Certified copies	3,500	1,435	1,422	(13)
Court attendance	1,100	950	880	(70)
Non-support (State)	1,500	10,500	8,726	(1,774)
Criminal fees	97,800	80,930	80,606	(324)
Advanced deposit	105,000	101,300	101,211	(89)
Interest	530	800	833	33
Elections	12,000	8,000	7,959	(41)
Clerk's supplemental	24,000	24,500	24,500	-
Other revenue	3,250	39,177	37,057	(2,120)
Birth certificates	17,500	16,700	16,702	2
Total revenues	493,980	529,142	523,429	(5,713)
EXPENDITURES				
Salaries:				
Salary & elections	150,300	150,030	150,030	-
Deputies	139,300	126,700	126,632	68
Fringe Benefits:				
Group insurance	50,535	43,454	43,421	33
Clerk's retirement	52,500	52,400	49,005	3,395
Deferred compensation	9,600	10,600	9,000	1,500
Medicare/FICA	36,250	24,725	2,839	21,886
Workers compensation	3,112	3,086	3,086	-
Operating Services:				
Marriage license, battered women	2,700	2,730	2,170	560
Universal Commercial Code	38,500	52,250	51,918	332
Material Supplies:				
Office	31,300	68,989	40,587	28,402
Clerk's suppl. fund	2,840	2,830	2,660	170
Travel & Other Charges:				
Convention	2,190	1,651	1,651	-
Auto (Gas, Insurance, Supplies)	21,040	21,040	21,040	-
Elections	1,165	1,787	1,786	1
Birth certificates	6,850	8,350	7,575	775
Miscellaneous	2,950	6,485	2,154	4,331
Capital outlay	-	-	28,286	(28,286)
Total expenditures	551,132	577,007	543,840	33,167
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ (57,152)	\$ (47,865)	(20,411)	\$ 27,454
FUND BALANCE-BEGINNING				
			107,068	
FUND BALANCE-ENDING				
			\$ 86,657	

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF CHANGES IN THE CLERK'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019**

	2018	2019
Total OPEB Liability		
Service Cost	\$ 11,288	\$ 11,651
Interest	16,579	14,681
Changes of benefit terms	-	-
Difference between expected and actual experiences	717	(10,149)
Changes in assumptions or other inputs	-	55,323
Benefits payments	(19,302)	(16,487)
Net Change in Total OPEB Liability	<u>9,282</u>	<u>55,019</u>
Total OPEB Liability - beginning	<u>456,337</u>	<u>465,619</u>
Total OPEB Liability- end	<u>\$ 465,619</u>	<u>\$ 520,638</u>
Covered Employee Payroll	\$ 280,641	\$ 276,661
Total OPEB Liability as a percentage of covered employee payroll	165.91%	188.19%

Note to Schedule:

Changes of Benefit Terms:

None

Changes of Assumptions:

Changes of assumptions and other inputs reflects the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.62%
2019	3.13%

Mortality Rates

2018 RPH-2014 Employee and Healthy Annuity,
Generational with MP-2018.

2019 PubG.H-2010 Employee and Healthy Annuity,
Generational with MP-2018.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2014	0.28661%	\$ 386,666	\$ 253,486	152.54%	79.34%
June 30, 2015	0.26673%	\$ 400,103	\$ 240,884	166.10%	78.13%
June 30, 2016	0.28347%	\$ 524,416	\$ 258,739	202.68%	79.81%
June 30, 2017	0.307854%	\$ 465,763	\$ 272,585	170.87%	79.69%
June 30, 2018	0.293527%	\$ 488,224	\$ 488,224	190.91%	79.07%

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTION
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2019**

Actuarial Valuation Date	Contractually Required Contribution	Contribution in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$ 44,671	\$ 44,671	\$ -	\$ 253,486	17.62%
June 30, 2015	\$ 45,700	\$ 45,700	\$ -	\$ 240,884	18.97%
June 30, 2016	\$ 58,714	\$ 58,714	\$ -	\$ 258,739	22.69%
June 30, 2017	\$ 74,275	\$ 74,275	\$ -	\$ 272,585	27.72%
June 30, 2018	\$ 69,473	\$ 69,473	\$ -	\$ 255,739	27.25%

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

OTHER SUPPLEMENTARY INFORMATION

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019**

	<u>Advance Deposit Fund</u>	<u>Registry Of Court Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 76,822	\$ 38,816	\$ 115,638
Investments	<u>35,461</u>	<u>-</u>	<u>35,461</u>
Total Assets	<u><u>112,283</u></u>	<u><u>38,816</u></u>	<u><u>151,099</u></u>
Liabilities			
Accounts payable	320	-	320
Unsettled deposits	<u>111,963</u>	<u>38,816</u>	<u>150,779</u>
Total Liabilities	<u><u>\$ 112,283</u></u>	<u><u>\$ 38,816</u></u>	<u><u>\$ 151,099</u></u>

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Advance Deposit Fund	Registry Of Court Fund	Total
Balances, beginning of year	\$ 103,220	\$ 26,713	\$ 129,933
Additions:			
Deposits:			
Suits and successions	142,279	17,103	159,382
Total	245,499	43,816	289,315
Reductions:			
Clerk's costs	101,211	-	101,211
Settlements to litigants	5,511	5,000	10,511
Attorney, curators and notarial fees	4,370	-	4,370
Witness, appraisers, keepers, etc.	9,823	-	9,823
Sheriff's fees	12,621	-	12,621
Total reductions	133,536	5,000	138,536
Balances, end of year	\$ 111,963	\$ 38,816	\$ 150,779

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2019**

Beatrice Carter, Clerk

Salary and expense amount	\$ 150,030
Benefits - insurance	14,182
Benefits - retirement	40,392
Benefits - deferred compensation	7,200
Automobile allowance	21,040
Conference	1,651
Telephone	<u>1,645</u>
 Total	 <u><u>\$ 236,140</u></u>

**COMPLIANCE REPORTING AND OTHER SCHEDULES REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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

To Mrs. Beatrice Carter
The East Carroll Parish Clerk of Court and
the Louisiana Legislative Auditor,

We have audited the financial statements of the East Carroll Parish Clerk of Court as of and for the year ended June 30, 2019, and have issued our report thereon dated December 12, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The East Carroll Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did not identify any deficiencies in internal control that we consider to be significant deficiency.

East Carroll Parish Clerk of Court
Lake Providence, Louisiana
Page Two

Compliance and Other Matters

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

This report is intended solely for the information and use of the East Carroll Parish Clerk of Court, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 12, 2019

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF AUDIT RESULTS

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

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

There were no prior year findings.

**STATEWIDE
AGREED-UPON PROCEDURES**

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
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Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the East Carroll Parish Clerk of Court
and the Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the East Carroll Parish Clerk of Court and the Louisiana Legislative Auditor (LLA), solely to assist the users in evaluating management's assertions about the Clerk of Court's compliance with certain laws and regulations during the fiscal year ended June 30, 2019, included in the Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures (SAUPs). The Clerk's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations).
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving

Written Policies and Procedures - continued

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-11121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirements that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to non-profits.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The East Carroll Parish Clerk has a policy manual but it does not address accounting procedures, bookkeeping, financial reporting, etc.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Board or Finance Committee - continued

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget- to- actual comparisons, if budgeted) for major proprietary fund.
- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The East Carroll Clerk of Court's office does not have a board or finance committee therefore the procedures are 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.

During testing, we were able to determine that the Clerk had prepared each bank reconciliation and that the reconciliations were prepared within two months of the statement date. There was no evidence that the Clerk researched items outstanding more than a year. Per the Clerk they have tried to research each old outstanding item and resolve them, but have not been successful on the remaining ones.

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).

Collections - continued

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.

Everyone in office is responsible for cash collections.

- 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.

All employees collect cash as part of their normal duties and there is only one cash drawer. The employees (3) that are responsible for preparing/making bank deposits are also responsible for collecting cash.

- 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.

All employees are involved in collecting cash and entering the collection in the general ledger when they make the collection. At the end of each day the cash drawer is reconciled to the entries entered into the general ledger.

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

All employees collect cash and sometimes are involved in reconciling cash collections recorded in the general ledger.

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

All employees are covered by insurance for theft.

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

Collections - continued

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

The Clerk does not use pre-numbered receipts. Cash collections are entered in the general ledger as received and a receipt is printed from the data entered into the computer for each collection.

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

The computer generated receipt was traced to the general ledger for all deposits selected.

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

All selected deposits were traced to the bank statements.

- 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).

No exception noted in the procedure.

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

No exception noted in the procedure.

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).

The Clerk only has one location and all payments are processed there.

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 jobs duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

All purchases are handled by the Clerk, except purchases from Quill. All purchases from Quill are handled by a deputy with the approval of the Clerk.

- b) At least two employees are involved in processing and approving payments to vendors.

All payments to vendors are made by the Clerk.

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

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The Clerk does not maintain an approved vendor file.

- 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.

All checks are signed by the Clerk.

- 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.

The Clerk provided the general ledger and stated it contained all disbursements. All tested disbursements had proper supporting documentation. The Clerk writes and signs all checks, reconciles the bank statement and is responsible for all disbursements.

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 Clerk does not have any credit cards or fuel cards but does have one debit card.

- 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:

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

- 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 Lawrason Act municipality); these instances should not be reported.]]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

In the month selected (June 2019) there was one purchase using the debit card. Supporting documentation was present and approved by the Clerk. There were not any finance charges or fees related to the debit card usage.

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, observe that is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exception noted in these test procedures.

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

14. Obtain from managements a listing of all travel and travel-related expense reimbursements during fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov)
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

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

- 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 Clerk had two travel-related expense reimbursements in the period under review. They were both supported by itemized receipts that identified what was purchased and were approved by the Clerk.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, lease, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

None of the contracts required bids.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

The Clerk does not have a governing body or board.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

None of the contracts were amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in this test.

Payroll and Personnel

16. Obtain a listing employees/elected official employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

The East Carroll Clerk of Court's office has four employees plus the Clerk so all five were selected.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected officials are earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employee/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were noted in the above test.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

No termination payments in year under review.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

As part of the regular audit procedures all payroll related returns, reports, and payments thereof were reviewed. No exceptions were noted in this review.

Ethics

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

No exceptions noted in these procedures.

Debit Service

21. Obtain a listing of bond/notes issued during the fiscal period and management's representation that the listing is complete. Select all bond/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

The East Carroll Clerk's office did not have any debt in the period under review.

22. Obtain a listing of bond/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

N/A

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.

There were no known misappropriations in the period under review.

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.

The notice was posted.

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

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

The Halford Firm, PLLC

Vicksburg, Mississippi
December 12, 2019