

**ST. JAMES PARISH CLERK OF COURT**

Convent, Louisiana

Financial Report

Year Ended June 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Shane Leblanc  
St. James Parish Clerk of Court  
Convent, Louisiana

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Clerk of Court, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer pension contributions on pages 36 through 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The other supplementary information on pages 42 through 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative and combining statements on pages 42, 43, 47, and 48 are the responsibility of management and were 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 auditing standards generally accepted in the United States of America.

In our opinion, the comparative and combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the St. James Parish Clerk of Court's 2018 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The budgetary comparison schedules on pages 44 and 45 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

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

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

Lafayette, Louisiana  
December 8, 2019

**BASIC FINANCIAL STATEMENTS**

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Statement of Net Position  
June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 188,699
Investments	579,850
Receivables, net	21,162
Accrued interest	281
Prepaid expenditures	<u>1,194</u>
Total assets	<u>791,186</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	113,121
Deferred outflows related to pension	<u>148,987</u>
Total deferred outflows of resources	<u>262,108</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts and other payables	5,107
Compensated absences payable	<u>3,727</u>
Total current liabilities	<u>8,834</u>
Noncurrent liabilities:	
Postemployment benefit obligation payable	1,332,291
Net pension liability	<u>556,637</u>
Total noncurrent liabilities	<u>1,888,928</u>
Total liabilities	<u>1,897,762</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to OPEB	20,053
Deferred inflows related to pension	<u>155,554</u>
Total deferred inflows of resources	<u>175,607</u>
<b>NET POSITION</b>	
Unrestricted (deficit)	<u><u>\$ (1,020,075)</u></u>

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Statement of Activities  
For the Year Ended June 30, 2019

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue And Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
General government	<u>\$ 712,902</u>	<u>\$ 863,092</u>	<u>\$ 13,529</u>	<u>\$ 163,719</u>
		General revenues:		
				6,178
				<u>36,709</u>
			Total general revenues	<u>42,887</u>
			Change in net position	206,606
			Net position, beginning	<u>(1,226,681)</u>
			Net position, ending	<u>\$(1,020,075)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2019

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 188,699
Investments	579,850
Receivables:	
Accounts receivable	21,162
Accrued interest	281
Prepaid expenditures	<u>1,194</u>
Total assets	<u>\$ 791,186</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 915
Accrued Liabilities	<u>4,192</u>
Total liabilities	<u>5,107</u>
Fund balance:	
Nonspendable (prepaid expenditures)	1,194
Unassigned	<u>784,885</u>
Total fund balance	<u>786,079</u>
 Total liabilities and fund balance	 <u>\$ 791,186</u>

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

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

Total fund balance for the governmental fund at June 30, 2019		\$ 786,079
Total net position reported for governmental activities in the statement of net position is different because:		
The deferred outflows of resources are not available, and therefore are not reported in the fund financial statements. The deferred outflows of resources are related to the following:		
OPEB obligation	\$ 113,121	
Pension liability	<u>148,987</u>	262,108
Long-term liabilities at June 30, 2019:		
Compensated absences	(3,727)	
Net OPEB obligation	(1,332,291)	
Net pension liability	<u>(556,637)</u>	(1,892,655)
The deferred inflows of resources are not available, and therefore are not reported in the fund financial statements. The deferred inflows of resources are related to the following:		
OPEB obligation	(20,053)	
Pension liability	<u>(155,554)</u>	(175,607)
Total net position of governmental activities at June 30, 2019		<u>\$ (1,020,075)</u>

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
For the Year Ended June 30, 2019

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
State grants	\$ 13,529
Licenses and permits	3,090
Fees, charges, and commissions for services -	
Court costs, fees, and charges	180,662
Fees for recording legal documents	582,520
Fees for certified copies	96,820
Use of money and property -	
Interest earnings	<u>6,178</u>
Total revenues	<u>882,799</u>
Expenditures:	
Current -	
Personal services and related benefits	583,498
Operating services	100,690
Materials and supplies	<u>21,499</u>
Total expenditures	<u>705,687</u>
Net change in fund balance	177,112
Fund balance, beginning of year	<u>608,967</u>
Fund balance, end of year	<u>\$ 786,079</u>

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

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

Total net change in fund balance for the year ended June 30, 2019 per statement of revenues, expenditures and changes in fund balance	\$ 177,112
The change in net position reported for governmental activities in the statement of activities is different because:	
Excess of compensated absences earned over compensated absences used	(249)
Differences between amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements.	
Net OPEB obligation payable	\$ (12,700)
Net pension liability	<u>5,734</u> (6,966)
Non-employer pension contributions	<u>36,709</u>
Total change in net position for the year ended June 30, 2019 per statement of activities	<u>\$ 206,606</u>

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds  
June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 553,800
Interest-bearing deposits	<u>850,002</u>
Total assets	<u>\$ 1,403,802</u>
LIABILITIES	
Due to litigants and others	<u>\$ 1,403,802</u>

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement

(1) Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

B. Basis of Presentation

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

Government – Wide Financial Statements (GWFS)

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement (Continued)

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

Fund Financial Statements (FFS)

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

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

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

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

Governmental Fund -

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement (Continued)

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

Fiduciary Funds -

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

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

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

Jury Fund – account is to pay jurors who report for Petit and Civil Jury.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities reflects the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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

D. Cash and interest-bearing deposits

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

E. Investments

Under state law, the Clerk of Court may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

F. Receivables

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement (Continued)

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives for furniture, fixtures, and equipment range from five to ten years.

H. Compensated Absences

Employees of the Clerk of Court's office earn from 72 to 136 hours of vacation leave and sick leave each year, depending on their length of service. Vacation and sick leave are accrued annually for the current year only. Unused leave at the end of each calendar year is forfeited.

At June 30, 2019, the Clerk of Court has \$4,142 accumulated sick leave benefits required to be reported in accordance with generally accepted accounting principles.

I. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

J. Equity Classifications

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

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement (Continued)

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

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

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

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

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office.

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement (Continued)

At June 30, 2019, there was no amount due to the parish treasurer even though the General Fund's fund balance at June 30, 2019 exceeded one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office because the Clerk of Court did not receive any funds from the parish treasurer in accordance with R.S. 13:784(A) during the current term of office.

K. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

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

Governmental Fund -- By Character and Function

L. Bad Debts

Through the establishment of an allowance account, uncollectible amounts due from customers' receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts for customers' receivables at June 30, 2019 was \$659.

M. Clerk's Fees Transferred from Advance Deposit Agency Fund

These fees represent revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants and standard fees charged on suits. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the General Fund.

N. Use of Estimates

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2019, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$1,592,501 as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash	\$ 188,699	\$ 553,800	\$ 742,499
Time and money-market deposits	-	<u>850,002</u>	<u>850,002</u>
Total	<u>\$ 188,699</u>	<u>\$ 1,403,802</u>	<u>\$ 1,592,501</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Clerk of Court or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2019 are secured as follows:

Bank balances	<u>\$ 1,697,616</u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>1,197,616</u>
Total	<u>\$ 1,697,616</u>

Deposits in the amount of \$1,197,616 were exposed to custodial credit risk. The deposits secured with pledged securities are uninsured and collateralized with securities that are held by the pledging institution's trust department or agent, but not in the Clerk of Court's name. The Clerk of Court does not have a policy for custodial credit risk.

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Notes to Basic Financial Statement (Continued)

(3) Investments

As of June 30, 2019, the Clerk of Court had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Less Than One Year</u>
State Investment Pool (LAMP)	100%	\$ 579,850	\$ 579,850

**Interest Rate Risk** – The Clerk of Court does not have a formal policy that limits investment maturities as a mean of managing its exposure to fair value losses arising from increasing interest rates. The Clerk of Court participates in the Louisiana Asset Management Pool (LAMP). LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMPs total investments is 99 days as of June 30, 2019.

**Credit Risk** – Credit risk is defined as the risk that an issuer or other counter party to an investment will not fulfill its obligations. At June 30, 2019, investments with a fair value of \$579,850 were rated at AAAM by Standards & Poor’s.

**Custodial Credit Risk** – For an investment, custodial risk is the risk that, in the event of the failure of a counterparty, the Clerk of Court will not be able to recover the value of it’s investments or collateral securities that are in the possession of an outside party. As of June 30, 2019, the Clerk of Court participates in the Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. LAMPs portfolio securities are valued at market value even though the amortized cost method is permitted under Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

The investment in LAMP is not exposed to custodial risk and is not categorized in the three categories provided by GASB Codification Section I50.164 because investment is in pooled funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP has a fund rating of AAAM issued by Standard and Poor’s. The fair value of investments is determined on a weekly basis by LAMP and the fair value of the Clerk of Court’s investment in LAMP is the same as the value of the pool shares.

Detailed information about portfolio holdings and historical yield information can be found on the LAMP website at <https://www.lamppool.com/> or by contacting the administrative office at 1-800-249-5267.

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Notes to Basic Financial Statement (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>
Governmental activities:				
Equipment, furniture, and fixtures	\$ 182,621	\$ -	\$ 24,271	\$ 158,350
Vehicle	<u>35,100</u>	<u>-</u>	<u>-</u>	<u>35,100</u>
Total	217,721	-	24,271	193,450
Less: accumulated depreciation	<u>217,721</u>	<u>-</u>	<u>24,271</u>	<u>193,450</u>
Governmental activities, capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the year ended June 30, 2019.

(5) Changes in Compensated Absences Payable

During the year ended June 30, 2019, the following changes occurred in compensated absences transactions and balances:

Compensated absences payable at June 30, 2018	\$ 3,478
Additions	10,655
Reductions	<u>9,991</u>
Compensated absences payable at June 30, 2019	<u>\$ 4,142</u>

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

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

*Benefits provided.* The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 50% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

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Notes to Basic Financial Statement (Continued)

*Employees covered by benefit terms.* At January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>5</u>
Total	<u>10</u>
<b>Total OPEB Liability</b>	

The Clerk's total OPEB liability of \$1,332,291 was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2018.

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

Inflation	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.13%
<b>Health Care Cost Trend Rates</b>	
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%. Including 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
<b>Retirees' Share of Benefit-Related Costs:</b>	
Medical:	0% for retirees and 50% for dependents.
Medicare Supplement:	0% for retirees and 50% for dependents.
Dental:	0% for retirees and 50% for dependents.
Vision:	0% for retirees and 50% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the 6/30/2019 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

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Notes to Basic Financial Statement (Continued)

Mortality rates for retirees and surviving spouses were based on the RPH-2014 Healthy Annuitant Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2018.

The actuarial assumptions used in the June 30, 2019 valuation were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

**Changes in the Total OPEB Liability**

Balance at June 30, 2018	<u>\$ 1,231,891</u>
Changes for the year:	
Service cost	15,079
Interest	38,105
Differences between expected and actual experience	(24,064)
Changes in Assumptions/Inputs	130,376
Change in Benefit Terms	-
Benefit payments	(59,096)
Administrative Expense	-
Net changes	<u>100,400</u>
Balance at June 30, 2019	<u>\$ 1,332,291</u>

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

	1% Decrease (2.31%)	Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB Liability	<u>\$ 1,554,129</u>	<u>\$ 1,332,291</u>	<u>\$ 1,156,438</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using 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	<u>\$ 1,167,469</u>	<u>\$ 1,332,291</u>	<u>\$ 1,549,175</u>

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Notes to Basic Financial Statement (Continued)

**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 of \$71,798. At June 30, 2019, the Clerk reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,474	\$ 20,053
Change of assumptions or other inputs	108,647	-
Total	\$ 113,121	\$ 20,053

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

Year Ended June 30,			
2020			\$ 18,614
2021			18,614
2022			18,614
2023			18,614
2024			18,612
			\$ 93,068

(7) Pension Plan

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

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

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

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Notes to Basic Financial Statement (Continued)

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lia.la.gov](http://www.lia.la.gov).

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

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

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

- a. A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, 2 1/2% of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- b. A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

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Notes to Basic Financial Statement (Continued)

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

- a. The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- b. The member has at least ten years of service credit.

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

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

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

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

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

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

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Notes to Basic Financial Statement (Continued)

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation.

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

**Cost of Living Adjustments:** The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of \$40 per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later. In order to grant any cost of living increase, the Fund must meet criteria as detailed in the Louisiana statutes related to funding status. In lieu of granting a cost-of-living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

**Contributions:** According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 19%. Effective July 1, 2013, the Clerk of Court has elected to pay the member's share of the required contribution equal to 8.25% of their annual covered salary. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2019, was \$36,709.

**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 \$556,637 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Clerk's proportion was 0.334658 which was a decrease of 0.089831% from its proportion measured as of June 30, 2017.

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Notes to Basic Financial Statement (Continued)

For the year ended June 30, 2019, the Clerk recognized pension expense of \$62,299 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$2,255.

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

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

Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.00%
Inflation	2.50%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2018 - 5 years 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 included previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantially automatic.

The 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 through June 30, 2014, unless otherwise specified.

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

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Notes to Basic Financial Statement (Continued)

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

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

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

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ST. JAMES PARISH CLERK OF COURT  
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Notes to Basic Financial Statement (Continued)

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the Clerk calculated using the discount rate of 6.75%, as well as what the Clerk's 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 as of June 30, 2018:

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount	Increase
	5.75%	Rate	7.75%
Net Pension Liability	<u>\$ 850,974</u>	<u>\$556,637</u>	<u>\$312,657</u>

At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,773	\$ 5,499
Change of assumptions	57,833	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	150,055
Net differences between projected and actual earnings on plan investments	10,625	-
Contributions subsequent to the measurement date	65,756	-
Total	<u>\$ 148,987</u>	<u>\$ 155,554</u>

Deferred outflows of resources of \$65,756 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. 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,	
2020	\$ 2,302
2021	(13,898)
2022	(42,432)
2023	(11,502)
	<u>\$ (65,530)</u>

At June 30, 2019, the Clerk did not have any amounts owed to the retirement plan.

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Notes to Basic Financial Statement (Continued)

(8) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$16,320 for the year ended June 30, 2019.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(9) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits for the year ended June 30, 2019 follows:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$ 798,708	\$680,002	\$593,943	\$ 884,767
Registry of Court	465,684	156,162	115,872	505,974
Jury Fund	13,610	26,173	26,722	13,061
Totals	<u>\$1,278,002</u>	<u>\$862,337</u>	<u>\$736,537</u>	<u>\$1,403,802</u>

(10) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the St. James Parish Courthouse. The St. James Parish Government pays the upkeep and maintenance of the courthouse. In addition, the Parish Government also pays some of the Clerk of Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(11) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

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Notes to Basic Financial Statement (Continued)

(12) Litigation and Claims

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2019.

(13) Compensation, Benefits, and Other Payment to Agency Head

In accordance with Act 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits, and other payments to Shane Leblanc, Clerk of Court, for the year ended June 30, 2019 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 147,459
Benefits - insurance	9,667
Benefits - retirement	29,546
Benefits - deferred compensation	9,600
Benefits - voting custodian	2,100
Conference travel	728
Registration Fees	538

**REQUIRED SUPPLEMENTARY INFORMATION**

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance - Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Intergovernmental revenues -					
State grants	\$ -	\$ -	\$ 13,529	\$ 13,529	\$ 33,550
Licenses and permits	3,000	3,250	3,090	(160)	2,460
Fees, charges, and commissions for services -					
Court costs, fees, and charges	171,400	170,417	180,662	10,245	192,137
Fees for recording legal documents	706,800	597,190	582,520	(14,670)	748,898
Fees for certified copies	107,500	99,600	96,820	(2,780)	124,212
Use of money and property -					
Interest earnings	900	1,019	6,178	5,159	803
Total revenues	<u>989,600</u>	<u>871,476</u>	<u>882,799</u>	<u>11,323</u>	<u>1,102,060</u>
<b>Expenditures:</b>					
Current -					
Personal services and related benefits	611,109	584,622	583,498	1,124	549,216
Operating services	121,065	107,553	100,690	6,863	120,591
Materials and supplies	25,500	25,567	21,499	4,068	26,903
Total expenditures	<u>802,674</u>	<u>717,742</u>	<u>705,687</u>	<u>12,055</u>	<u>696,710</u>
Excess of revenues over expenditures	186,926	153,734	177,112	23,378	405,350
Fund balance, beginning of year	<u>608,967</u>	<u>608,967</u>	<u>608,967</u>	-	<u>203,617</u>
Fund balance, end of year	<u>\$ 795,893</u>	<u>\$ 762,701</u>	<u>\$ 786,079</u>	<u>\$ 23,378</u>	<u>\$ 608,967</u>

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios  
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 15,079	\$ 14,684
Interest	38,105	43,798
Changes in benefit terms	-	-
Differences between expected and actual experience	(24,064)	6,263
Changes of assumptions	130,376	-
Benefit payments and net transfers	<u>(59,096)</u>	<u>(56,142)</u>
Net changes	100,400	8,603
Total OPEB liability - beginning	<u>1,231,891</u>	<u>1,223,288</u>
Total OPEB liability - ending	<u>\$ 1,332,291</u>	<u>\$ 1,231,891</u>
Covered employee payroll	\$ 349,472	\$ 318,571
Total OPEB liability as a percentage of covered-employee payroll	381.23%	386.69%

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2019\*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.334658%	\$ 556,637	\$ 310,719	179.1%	79.07%
2018	0.424489%	642,224	323,549	198.5%	79.69%
2017	0.468951%	867,547	368,629	235.3%	74.17%

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

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund  
Schedule of Employer Contributions  
For the Year Ended June 30, 2019

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 65,756	\$ 65,756	\$ -	\$ 346,083	19.00%
2018	59,037	59,037	-	310,719	19.00%
2017	61,474	61,474	-	323,549	19.00%

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Required Supplementary Information  
For the Year Ended June 30, 2019

(1) Budgets and Budgetary Accounting

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

- a. A proposed budget for the General fund is prepared no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Other Postemployment Benefits

- a. Benefit Changes – There were no changes of benefit terms.
- b. Changes of Assumptions – There were no changes of assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Comparative Statement of Net Position  
June 30, 2019 and 2018

	Governmental Activities	
	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash	\$ 188,699	\$ 565,234
Investments	579,850	-
Receivables, net	21,162	21,305
Due from other governmental agencies	-	33,550
Accrued interest	281	281
Prepaid expenditures	1,194	1,194
Total assets	791,186	621,564
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to OPEB	113,121	5,368
Deferred outflows related to pension	148,987	117,849
Total deferred outflows of resources	262,108	123,217
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	5,107	12,597
Compensated absences payable	3,727	3,478
Total current liabilities	8,834	16,075
Noncurrent liabilities:		
Postemployment benefit obligation payable	1,332,291	1,231,891
Net pension liability	556,637	642,224
Total noncurrent liabilities	1,888,928	1,874,115
Total liabilities	1,897,762	1,890,190
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to OPEB	20,053	-
Deferred inflows related to pension	155,554	81,272
Total deferred inflows of resources	175,607	81,272
<b>NET POSITION</b>		
Unrestricted (deficit)	\$(1,020,075)	\$(1,226,681)

ST. JAMES PARISH CLERK OF COURT  
 Convent, Louisiana  
 General Fund

Comparative Balance Sheet  
 June 30, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash	\$ 188,699	\$ 565,234
Investments	579,850	-
Receivables:		
Accounts receivable	21,162	21,305
Due from other governmental agencies	-	33,550
Accrued interest	281	281
Prepaid expenditures	1,194	1,194
Total assets	<u>\$ 791,186</u>	<u>\$ 621,564</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 915	\$ 12,597
Accrued liabilities	4,192	-
Total liabilities	<u>5,107</u>	<u>12,597</u>
Fund balance:		
Nonspendable (prepaid expenditures)	1,194	1,194
Unassigned	784,885	607,773
Total fund balance	<u>786,079</u>	<u>608,967</u>
Total liabilities and fund balance	<u>\$ 791,186</u>	<u>\$ 621,564</u>

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues  
Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Intergovernmental revenues -					
State grants	\$ -	\$ -	\$ 13,529	13,529	\$ 33,550
Licenses and permits -					
Marriage licenses	3,000	3,250	3,090	(160)	2,460
Court costs, fees, and charges -					
Court attendance	4,000	2,200	1,640	(560)	4,360
Criminal costs	79,000	70,967	82,752	11,785	87,413
Qualifying fees	1,000	5,800	4,370	(1,430)	2,740
Other	87,400	91,450	91,900	450	97,624
Total court costs, fees and charges	<u>171,400</u>	<u>170,417</u>	<u>180,662</u>	<u>10,245</u>	<u>192,137</u>
Fees for recording legal documents -					
Recordings	280,000	265,000	264,880	(120)	307,802
Suits and successions	425,000	331,300	316,997	(14,303)	439,069
Mortgage certificates	1,800	890	643	(247)	2,027
Total fees for recording legal documents	<u>706,800</u>	<u>597,190</u>	<u>582,520</u>	<u>(14,670)</u>	<u>748,898</u>
Fees for certified copies -					
Certified copies	107,500	99,600	96,820	(2,780)	124,212
Use of money and property -					
Interest earned	900	1,019	6,178	5,159	803
Other revenue					
Refunds and reimbursements	-	62,976	-	(62,976)	-
Total revenues	<u>\$ 989,600</u>	<u>\$ 934,452</u>	<u>\$ 882,799</u>	<u>\$ 11,323</u>	<u>\$ 1,102,060</u>

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
<b>Current:</b>					
Personal services and related benefits -					
Salaries:					
Clerk	\$ 132,219	\$ 141,686	\$ 132,713	\$ 8,973	\$ 133,549
Deputy clerks	225,000	209,000	202,013	6,987	171,667
Other	15,000	7,900	8,320	(420)	23,769
Allowance	14,690	15,743	14,746	997	13,355
Clerk supplemental	12,000	12,500	10,551	1,949	12,336
Group insurance	95,000	97,000	91,470	5,530	90,038
Pension	111,200	94,793	111,112	(16,319)	99,271
Medicare tax	<u>6,000</u>	<u>6,000</u>	<u>12,573</u>	<u>(6,573)</u>	<u>5,231</u>
Total personal services and related benefits	<u>611,109</u>	<u>584,622</u>	<u>583,498</u>	<u>1,124</u>	<u>549,216</u>
Operating services -					
Professional fees	24,000	30,000	28,345	1,655	21,580
Insurance	10,500	10,500	8,825	1,675	10,267
Election expense allowance	2,500	2,500	806	1,694	2,550
Cott index	20,000	15,000	13,529	1,471	33,550
Postage	16,200	14,600	14,651	(51)	14,566
Birth certificates	18,000	16,500	17,218	(718)	19,132
Bad debts (recoveries)	-	-	-	-	90
UCC filings	7,500	6,600	5,566	1,034	7,798
Qualifying Fees	2,365	4,003	4,004	(1)	2,365
Other	<u>20,000</u>	<u>7,850</u>	<u>7,746</u>	<u>104</u>	<u>8,693</u>
Total operating services	<u>121,065</u>	<u>107,553</u>	<u>100,690</u>	<u>6,863</u>	<u>120,591</u>
Materials and supplies -					
Office supplies	21,000	19,967	14,423	5,544	21,994
Automobile supplies and maintenance	1,500	2,600	2,614	(14)	1,496
Dues and subscriptions	<u>3,000</u>	<u>3,000</u>	<u>4,462</u>	<u>(1,462)</u>	<u>3,413</u>
Total materials and supplies	<u>25,500</u>	<u>25,567</u>	<u>21,499</u>	<u>4,068</u>	<u>26,903</u>
Capital outlay:					
Automobile	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 802,674</u>	<u>\$ 717,742</u>	<u>\$ 705,687</u>	<u>\$ 12,055</u>	<u>\$ 696,710</u>

## **FIDUCIARY FUND TYPE - AGENCY FUNDS**

### **Advance Deposit Fund II -**

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

### **Registry of Court Fund -**

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

### **Jury Fund -**

Act 632 of the State Legislature for the year 1979, authorized payment to Jurors who report for Jury Duty. This account is to pay Jurors who report for Petit and Civil Jury. The monies are collected from the St. James Parish Government or the Advance Deposit Accounts.

ST. JAMES PARISH CLERK OF COURT  
 Convent, Louisiana  
 Agency Funds

Combining Statement of Assets and Liabilities  
 June 30, 2019  
 With Comparative Totals for June 30, 2018

	<u>Advance Deposit II</u>	<u>Registry of Court</u>	<u>Jury Fund</u>	<u>Totals</u>	
				<u>2019</u>	<u>2018</u>
ASSETS					
Cash	\$ 483,459	\$ 57,280	\$ 13,061	\$ 553,800	\$ 428,000
Interest-bearing deposits	<u>401,308</u>	<u>448,694</u>	<u>-</u>	<u>850,002</u>	<u>850,002</u>
Total assets	<u>\$ 884,767</u>	<u>\$ 505,974</u>	<u>\$ 13,061</u>	<u>\$ 1,403,802</u>	<u>\$ 1,278,002</u>
LIABILITIES					
Due to St. James Parish Council	\$ -	\$ -	\$ 13,061	\$ 13,061	\$ 13,610
Due to litigants	<u>884,767</u>	<u>505,974</u>	<u>-</u>	<u>1,390,741</u>	<u>1,264,392</u>
Total liabilities	<u>\$ 884,767</u>	<u>\$ 505,974</u>	<u>\$ 13,061</u>	<u>\$ 1,403,802</u>	<u>\$ 1,278,002</u>

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2019  
With Comparative Totals for the Year Ended June 30, 2018

	Advance Deposit II	Registry of Court	Jury Fund	Total	
				2019	2018
<b>ASSETS</b>					
Cash, beginning of year	\$ 397,400	\$ 16,990	\$ 13,610	\$ 428,000	\$ 290,155
Interest-bearing deposits, beginning of year	<u>401,308</u>	<u>448,694</u>	-	<u>850,002</u>	<u>940,481</u>
Total assets, beginning of year	<u>798,708</u>	<u>465,684</u>	<u>13,610</u>	<u>1,278,002</u>	<u>1,230,636</u>
Additions:					
Suits and successions Parish	680,002	-	-	680,002	897,844
Deposits per court order	-	155,872	26,173	26,173	43,927
Interest	-	290	-	155,872	50,561
Total additions	<u>680,002</u>	<u>156,162</u>	<u>26,173</u>	<u>862,337</u>	<u>992,668</u>
Total	<u>1,478,710</u>	<u>621,846</u>	<u>39,783</u>	<u>2,140,339</u>	<u>2,223,304</u>
Reductions:					
Clerk's costs (transferred to General Fund)	316,997	-	-	316,997	460,309
Refunds to litigants	137,216	115,872	-	253,088	260,912
Other*	55,303	-	26,722	82,025	122,861
Sheriff fees	66,445	-	-	66,445	80,010
Secretary of State	5,303	-	-	5,303	7,050
Judge's supplemental compensation fund	<u>12,679</u>	<u>-</u>	<u>-</u>	<u>12,679</u>	<u>14,160</u>
Total reductions	<u>593,943</u>	<u>115,872</u>	<u>26,722</u>	<u>736,537</u>	<u>945,302</u>
Cash, end of year	483,459	57,280	13,061	553,800	428,000
Interest-bearing deposits, end of year	<u>401,308</u>	<u>448,694</u>	-	<u>850,002</u>	<u>850,002</u>
Total assets, end of year	<u>\$ 884,767</u>	<u>\$ 505,974</u>	<u>\$ 13,061</u>	<u>\$ 1,403,802</u>	<u>\$ 1,278,002</u>
<b>LIABILITIES</b>					
Due to litigants and others, beginning of year	\$ 798,708	\$ 465,684	\$ 13,610	\$ 1,278,002	\$ 1,230,636
Additions	680,002	156,162	26,173	862,337	992,668
Reductions	<u>593,943</u>	<u>115,872</u>	<u>26,722</u>	<u>736,537</u>	<u>945,302</u>
Due to litigants and others, end of year	<u>\$ 884,767</u>	<u>\$ 505,974</u>	<u>\$ 13,061</u>	<u>\$ 1,403,802</u>	<u>\$ 1,278,002</u>

\*Other - Witness fees, jury fees, jury commissioners, and court reporter fees.

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

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The Honorable Shane Leblanc  
St. James Parish Clerk of Court  
Convent, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James 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 St. James Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 8, 2019.

### Internal Control Over Financial Reporting

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

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

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

## **Compliance and Other Matters**

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

### **St. James Parish Clerk of Court's Response to Findings**

The St. James Parish Clerk of Court's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The St. James Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Lafayette, Louisiana  
December 8, 2019

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan

Part 1. Current Year Findings and Management's Corrective Action Plan

A. Compliance Findings-

There are no findings to report under this section.

B. Internal Control Findings-

2019-001 Inadequate Segregation of functions within the accounting system.

Fiscal year finding initially occurred: Unknown

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

CRITERIA: The Clerk should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the small number of employees available at the Clerk's office.

EFFECT: The Clerk has employees that are performing more than one related function.

RECOMMENDATION: The Clerk should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Part II. Prior Year Findings

A. Compliance Findings-

2018-003 Under secured bank balances

CONDITION: The Clerk had uninsured bank balances of \$313,001. R.S. 39:1218 – 1229 requires that bank balances be secured by federal deposit insurance or collateralized by the financial institution with designated funds as defined in R.S. 39:1224.

RECOMMENDATION: The Clerk should coordinate with the appropriate financial institution to ensure any deposits in excess of federal deposit insurance are properly collateralized.

CURRENT STATUS: Resolved.

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)

Part II. Prior Year Findings (Continued)

B. Internal Control Findings-

**2018-001** Inadequate segregation of functions within the accounting system.

CONDITION: The Clerk had inadequate segregation of functions within the accounting system due the small number of employees.

RECOMMENDATION: The Clerk should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See 2019-001

**2018-002** Qualified Staff Person to Apply GAAP

CONDITION: The Clerk did not have a staff person with the necessary qualifications and training to apply GAAP in recording their financial transactions or to prepare their financial statements and related notes.

RECOMMENDATION: The Clerk should evaluate the cost-benefit of establishing internal controls over the preparation of the financial statements and related notes in accordance with GAAP.

CURRENT STATUS: Resolved.

**ST. JAMES PARISH CLERK OF COURT**

Convent, Louisiana

**Agreed-Upon Procedures Report**

Year Ended June 30, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Honorable Shane Leblanc  
St. James Parish Clerk of Court  
St. James, Louisiana and the  
Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain 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
  - 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

#### ***Board or Finance Committee***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

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

### ***Bank Reconciliations***

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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.

### ***Collections (excluding EFTs)***

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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).
4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

**(The following procedures were not performed since there were no exceptions in the prior year.)**

- 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).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

- 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.

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

**(The following procedures were not performed since there were no exceptions in the prior year.)**

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

**(The following procedures were not performed since there were no exceptions in the prior year.)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Contracts**

**(The following procedures were not performed since there were no exceptions in the prior year.)**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### ***Ethics***

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

### ***Debt Service***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

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

### ***Other***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

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

### **Exceptions:**

No exceptions were found as a result of applying the procedures listed above except:

#### **Policies and Procedures:**

1. The entity did not have a written policies and procedures for disaster recovery and business continuity.

***Management's response:*** The entity backs up the dedicated server once a week onsite and offsite with backups readily available. The entity will update their policies and procedures to include disaster recovery and business continuity.

#### **Bank Reconciliations:**

2. Monthly reconciliations were not prepared within two months of the statement closing date for 2 of the 5 bank accounts selected for testing.

***Management's response:*** The entity will ensure that all monthly bank reconciliations will be prepared within two months of the statement closing date for all bank accounts.

**Exceptions (continued):**

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3. There was no indication that management reviewed monthly bank reconciliations and there was no evidence of researching outstanding items greater than 12 months for all 5 bank accounts tested.

**Management's response:** The entity will revise their procedures to include that management will review and sign monthly bank reconciliations and document research for outstanding items greater than 12 months.

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

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

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

Lafayette, Louisiana  
December 8, 2019