

EVANGELINE PARISH CLERK OF COURT

Ville Platte, Louisiana

Financial Statements

Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT

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The Honorable Randall Deshotel
Evangeline Parish Clerk of Court
Ville Platte, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2017, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Clerk of Court, as of June 30, 2017, and the respective changes in financial position 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 budgetary comparison information, schedule of funding progress, employer's share of net pension liability, and employer contributions (page 35-38) 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.

Management 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 budgetary comparison schedules of revenues and expenditures (page 42-43), fiduciary funds combining statements, and schedule of insurance in force, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The budgetary comparison schedules of revenues and expenditures (page 42-43) and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2017, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

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

Ville Platte, Louisiana
November 27, 2017

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 511,851
Receivables, net	55,678
Accrued interest	4,276
Capital assets, net	<u>41,059</u>
Total assets	<u>612,864</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>339,030</u>
 LIABILITIES	
Accounts and other payables	24,451
Long-term liabilities:	
Portion due within one year -	
Capital lease payable	5,944
Portion due after one year -	
Compensated absences payable	4,483
Capital lease payable	16,289
Net OPEB obligation payable	525,288
Net pension liability	<u>944,641</u>
Total liabilities	<u>1,521,096</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	<u>122,140</u>
 NET POSITION	
Net investment in capital assets	18,826
Unrestricted (deficit)	<u>(710,168)</u>
Total net position	<u>\$ (691,342)</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Activities
For the Year Ended June 30, 2017

Activities	Expenses	Program Revenues Fees, Fines, and Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
General government	\$ 1,127,965	\$ 1,111,954	\$ (16,011)
Interest on long-term debt	<u>450</u>	<u>-</u>	<u>(450)</u>
Total governmental activities	<u>\$ 1,128,415</u>	<u>\$ 1,111,954</u>	<u>(16,461)</u>
	General revenues:		
	Interest income		8,151
	Non employer pension contribution		53,562
	Miscellaneous		<u>68,278</u>
	Total general revenues		<u>129,991</u>
	Change in net position		113,530
	Net position - July 1, 2016		<u>(804,872)</u>
	Net position - June 30, 2017		<u>\$ (691,342)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Balance Sheet - Governmental Fund
June 30, 2017

ASSETS

Cash and interest-bearing deposits	\$ 511,851
Receivables:	
Accounts receivable	55,678
Accrued interest	<u>4,276</u>
Total assets	<u>\$ 571,805</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 24,451
Fund balance:	
Unassigned	<u>547,354</u>
Total liabilities and fund balances	<u>\$ 571,805</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

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

Total fund balance for governmental fund at June 30, 2017		\$ 547,354
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, net of \$83,888 accumulated depreciation		41,059
The deferred outflows of expenditures for the clerks of court retirement system are not available resources, and therefore, are not reported in the funds.		339,030
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Capital lease	\$ (22,233)	
Compensated absences	<u>(4,483)</u>	(26,716)
Net OPEB obligation payable		(525,288)
Net pension liability		(944,641)
The deferred inflows of contributions for the clerks of court retirement system are not payable from current expendable resources and, therefore, are not reported in the funds.		<u>(122,140)</u>
Net position at June 30, 2017		<u>\$ (691,342)</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

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

Revenues:	
Licenses and permits	\$ 35,177
Fees, charges and commissions	116,155
Fees for recording legal documents	887,925
Fees for certified copies	72,697
Miscellaneous	<u>62,338</u>
Total revenues	<u>1,174,292</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	751,233
Operating services	140,080
Material and supplies	118,103
Capital outlay	25,200
Debt service	<u>5,123</u>
Total expenditures	<u>1,039,739</u>
Excess of revenues over expenditures	134,553
Other financing sources:	
Proceeds from capital lease	<u>25,200</u>
Net change in fund balance	159,753
Fund balance, beginning	<u>387,601</u>
Fund balance, ending	<u>\$ 547,354</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

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

Total net change in fund balance for year ended June 30, 2017 per statement of revenues, expenditures and changes in fund balance		\$ 159,753
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance.	\$ 25,200	
Gain on sale of capital assets	12,382	
Depreciation expense	<u>(16,170)</u>	21,412
Repayment of capital lease financing is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position		4,673
Non employer's contributions to the clerks of court pension plan		53,562
Some items reported in the statement of activities do not require the use of current financial resources are therefore are not reported as expenditures in the governmental funds		
Decrease in compensated absences	\$ 3,283	
Increase in other post-employment benefits	<u>(64,865)</u>	(61,582)
One capital addition was financed through a capital lease. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability.		(25,200)
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure		<u>(39,088)</u>
Change in net position for year ended June 30, 2017 per statement of activities		<u>\$ 113,530</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Combined Statement of Fiduciary Assets and Liabilities
June 30, 2017

ASSETS

Cash	\$ 1,334,226
Interest-bearing deposits	<u>1,791,139</u>
Total assets	<u>\$ 3,125,365</u>

LIABILITIES

Due to litigants and others	<u>\$ 3,125,365</u>
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The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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. There are no component units required to be reported in conformity with generally accepted accounting principles. As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and 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. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary assets and liabilities at the fund financial statement level.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, 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. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

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

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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

Fiduciary Funds -

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

Advance Deposit Funds I and II – 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.

Civil Jury Fund – accounts for deposits which have been authorized by the court for payment of jury costs in civil cases.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Basis of Accounting

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

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

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

Program revenues

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

Allocation of indirect expenses

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Clerk of Court's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and interest-bearing deposits

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities consist of fees for recordings and mortgage certificates.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Compensated Absences

Employees of the Clerk of Court's office earn 8 hours of vacation leave per month and 8 hours of sick leave per month. Employees are not permitted to carryover vacation time. Sick time may be carried over, but it is limited to 20 days.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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

At June 30, 2017, employees of the Clerk of Court have accumulated and vested \$4,483 of compensated absence benefits.

Long-Term Debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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 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.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further 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. The Clerk of Court is the highest level of decision-making authority for the Clerk of Court’s office.
- 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 of Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk of Court considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk of Court has provided otherwise in his commitment or assignment actions.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

E. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$3,637,216 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 411,851	\$ 1,334,226	\$ 1,746,077
Time and savings deposits	100,000	1,791,139	1,891,139
Total	\$ 511,851	\$ 3,125,365	\$ 3,637,216

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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2017, bank balances in the amount of \$3,715,287 were secured as follows:

Bank balances	\$ 3,715,287
Federal deposit insurance	\$ 1,470,000
Pledged securities	2,245,287
Total	\$ 3,715,287

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

Deposits in the amount of \$2,245,287 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' 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.

(3) Capital Assets

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

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Furniture, fixtures and equipment	\$ 120,747	\$ 41,291	\$ 37,091	\$ 124,947
Less accumulated depreciation	<u>101,100</u>	<u>16,170</u>	<u>33,382</u>	<u>83,888</u>
Net capital assets	<u>\$ 19,647</u>	<u>\$ 25,121</u>	<u>\$ 3,709</u>	<u>\$ 41,059</u>

Depreciation expense of \$16,170 was charged to the general government function.

(4) Changes in Long-Term Liabilities

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

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017	Amount due in one year
Long-term debt:					
Capital leases	\$ 1,706	\$ 25,200	\$ 4,673	\$ 22,233	\$ 5,944
Other liabilities:					
Compensated absences	<u>7,766</u>	<u>-</u>	<u>3,283</u>	<u>4,483</u>	<u>-</u>
	<u>\$ 9,472</u>	<u>\$ 25,200</u>	<u>\$ 7,956</u>	<u>\$ 26,716</u>	<u>\$ 5,944</u>

The Clerk of Court is obligated under one capital lease. The leased asset is recorded in capital assets at \$37,850 (net of accumulated depreciation of \$3,441) and the applicable debt recorded in long-term debt. The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at June 30, 2017:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 7,067
2019	7,067
2020	7,067
2021	<u>3,382</u>
Total minimum lease payments	24,583
Less amount representing interest	<u>(2,350)</u>
Present value of minimum lease payments	<u>\$ 22,233</u>

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

(5) 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 system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies and other employees. The Fund issues an publicly available financial report that may be assessed at www.laclerksofcourt.org.

Retirement Benefits

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3 percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit 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:

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Notes to Basic Financial Statements (Continued)

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

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

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

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

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

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

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.

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

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.

Cost of Living Adjustments

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1. In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19.00% and the member's required contribution was 8.25%. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Contributions from non-employer contributing entities were \$53,562. Contributions to the pension plan from the Clerk of Court were \$84,094.

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

As of June 30, 2017, the Clerk reported a liability of \$944,641 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2016, the Clerk's proportion was 0.510624%, which was a decrease of 0.045262% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$123,182.

At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Basic Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,640	\$ 32,153
Change of assumptions	58,178	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	24,136	89,987
Net differences between projected and actual earnings on plan investments	162,982	-
Contributions subsequent to the measurement date	84,094	-
Total	\$ 339,030	\$ 122,140

Deferred outflows of resources of \$84,094 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2018		\$ 28,253
2019		28,254
2020		44,477
2021		31,812
		\$ 132,796

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.

The actuarial assumptions used in the June 30, 2016 valuation (excluding mortality) were based on the assumptions used in the June 30, 2016 actuarial funding valuation, and were initially designed to match, to the extent possible, those used by the prior actuary for the fiscal 2010 valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 is as follows:

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Notes to Basic Financial Statements (Continued)

Valuation Date	6/30/2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	5.00%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2016 - 5 years 2015 - 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2016 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, unless otherwise specified.

The mortality rate assumption used was verified by combining data from this plan with 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.

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 7.20% for the year ended June 30, 2016.

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Notes to Basic Financial Statements (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

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Notes to Basic Financial Statements (Continued)

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of net pension liability	<u>\$ 1,344,207</u>	<u>\$ 944,641</u>	<u>\$ 605,490</u>

Payables to the Pension Plan

The Clerk of Court's payable to the LACRF at June 30, 2017 was \$9,359 and is the legally required contribution owed for the 2nd quarter of the 2017 calendar year.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LACRF 2016 annual financial report at www.laclerksofcourt.org.

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

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Clerk of Court began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Clerk of Court's future cash flows. Because the Clerk of Court adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description: The Clerk of Court's defined benefit postemployment health care plan (the Retiree Health Plan) provides medical, dental, vision and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust (LCCIT), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Association. The plan issues a publicly available financial report.

Funding Policy: The contribution requirements of plan members and the Clerk of Court are established and may be amended by the LCCIT board of trustees. The Clerk of Court pays for the entire premium charge by the LCCA for retirees and their dependents. Retirees are not required to contribute. For fiscal year 2017, the Clerk of Court contributed \$32,312 to the plan.

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

Annual OPEB Cost and Net OPEB Obligation: For 2017, the Clerk of Court's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Clerk of Court utilizes the level percentage of projected payroll amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Clerk of Court's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk of Court's net OPEB obligation:

Annual required contribution	\$ 105,249
Interest on net OPEB obligation	16,115
Adjustment to annual required contribution	<u>(24,187)</u>
Annual OPEB cost (expense)	97,177
Contributions made	<u>(32,312)</u>
Increase in net OPEB obligation	64,865
Net OPEB obligation - beginning of year	<u>460,423</u>
Net OPEB obligation - end of year	<u>\$ 525,288</u>

The Clerk of Court's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for the fiscal years ended June 30, 2015, 2016, and 2017 are as follows:

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	3.50%	\$ 87,678	25.40%	\$ 390,787
6/30/2016	3.50%	\$ 98,397	29.20%	\$ 460,423
6/30/2017	3.50%	\$ 97,177	33.30%	\$ 525,288

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 1,229,255
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,229,255</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%

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Notes to Basic Financial Statements (Continued)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Clerk of Court's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. GASB Statement No. 45 requires an actuarial valuation at least triennially for plans with total participants of fewer than two hundred.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the unit credit cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 3.5% per annum, compounded annually.
2. The inflation rate is 1.5% (estimated).
3. The initial trend rate used in the calculations was 8%. The ultimate trend rate is 5%. The time period between the initial rate and the ultimate rate is 3 years.

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

(7) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits for the year ended June 30, 2017 follows:

	Unsettled Deposits 7/1/2016	Additions	Reductions	Unsettled Deposits 6/30/2017
Agency funds:				
Advance Deposit I and II	\$ 1,809,875	\$ 688,276	\$ 560,798	\$ 1,937,353
Registry of the Court	274,875	51,841	45,822	280,894
Civil Jury	846,818	77,800	17,500	907,118
Total	\$ 2,931,568	\$ 817,917	\$ 624,120	\$ 3,125,365

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

A detail of compensation, benefits, and other payments to Clerk of Court, Randall Deshotel, for the year ended June 30, 2017 follows:

Purpose	Amount
Salary	\$ 148,649
Payroll taxes	2,363
Benefits - insurance	17,514
Benefits - retirement	27,787
Cell phone	2,010
Travel and meals	4,971
Registration fees	1,350
	\$ 204,644

(9) Risk Management

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

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

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

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Notes to Basic Financial Statements (Continued)

(11) Excess Fund Balance

R.S. 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 2017, there was no amount due to the parish treasurer.

(12) Litigation

The Clerk of Court was not involved in any lawsuits expected to result in a judgment for damages that would have a material adverse effect on the Clerk of Court's financial position at June 30, 2017.

(13) New Accounting Pronouncements

In June 2015, the GASB approved Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions". GASB Statement No. 75 replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 must be implemented by the Clerk of Court for the year ending June 30, 2018. The effect of implementation of these statements on the Clerk of Court's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

EVANGELINE PARISH CLERK OF COURT
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Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 36,000	\$ 35,000	\$ 35,177	\$ 177
Fees, charges and commissions	107,500	108,000	116,155	8,155
Fees for recording legal documents	816,000	835,000	887,925	52,925
Fees for certified copies	53,000	72,000	72,697	697
Miscellaneous	41,500	55,000	62,338	7,338
Total revenues	<u>1,054,000</u>	<u>1,105,000</u>	<u>1,174,292</u>	<u>69,292</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	825,768	815,749	751,233	64,516
Operating services	140,700	167,400	140,080	27,320
Material and supplies	124,300	135,300	118,103	17,197
Capital Outlay	-	25,200	25,200	-
Debt service	-	7,000	5,123	1,877
Total expenditures	<u>1,090,768</u>	<u>1,150,649</u>	<u>1,039,739</u>	<u>110,910</u>
Excess (deficiency) of revenues over expenditures	(36,768)	(45,649)	134,553	180,202
Other financing sources				
Proceeds from capital lease	-	25,200	25,200	-
Change in fund balance	<u>(36,768)</u>	<u>(20,449)</u>	<u>159,753</u>	<u>(180,202)</u>
Fund balance, beginning	<u>387,601</u>	<u>387,601</u>	<u>387,601</u>	<u>-</u>
Fund balance, ending	<u>\$ 350,833</u>	<u>\$ 367,152</u>	<u>\$ 547,354</u>	<u>\$ 180,202</u>

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Schedule of Funding Progress
For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	\$ -	4.0%	\$ 1,107,984	\$ 1,107,984	0.0%	\$ 445,456	248.7%
July 1, 2012	\$ -	4.0%	\$ 1,029,466	\$ 1,029,466	0.0%	\$ 464,403	221.7%
July 1, 2015	\$ -	3.5%	\$ 1,229,255	\$ 1,229,255	0.0%	\$ 469,316	261.9%

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Schedule of Employers' Share of Net Pension Liability
For the Year Ended June 30, 2017*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.594721%	\$ 802,196	\$ 508,142	157.9%	79.37%
2016	0.555886%	\$ 833,847	\$ 502,816	165.8%	78.13%
2017	0.510624%	\$ 944,641	\$ 464,884	203.2%	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.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$95,535	\$95,535	\$ -	\$ 502,816	19.00%
2016	\$88,328	88,328	\$ -	\$464,884	19.00%
2017	\$84,094	84,094	\$ -	\$442,599	19.00%

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

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

(1) Budget and Budgetary Accounting

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

1. The Clerk of Court prepares a proposed budget for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

(2) Pension Plan

Changes of Assumption - 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.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Licenses and permits:				
Marriage licenses	\$ 6,000	\$ 5,000	\$ 5,320	\$ 320
Birth certificates	30,000	30,000	29,857	(143)
Total licenses and permits	<u>36,000</u>	<u>35,000</u>	<u>35,177</u>	<u>177</u>
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	14,500	13,000	14,703	1,703
Court attendance reporting	8,000	8,000	6,900	(1,100)
Non-support court costs	45,000	37,000	45,936	8,936
Public records search fee	<u>40,000</u>	<u>50,000</u>	<u>48,616</u>	<u>(1,384)</u>
Total fees, charges and commissions	<u>107,500</u>	<u>108,000</u>	<u>116,155</u>	<u>8,155</u>
Fees for recording legal documents:				
Recordings	290,000	340,000	383,824	43,824
Cancellations	41,000	45,000	48,881	3,881
Mortgage certificates	35,000	35,000	44,660	9,660
Suits and successions	<u>450,000</u>	<u>415,000</u>	<u>410,560</u>	<u>(4,440)</u>
Total fees for recording legal documents	<u>816,000</u>	<u>835,000</u>	<u>887,925</u>	<u>52,925</u>
Certified copies	<u>53,000</u>	<u>72,000</u>	<u>72,697</u>	<u>697</u>
Miscellaneous:				
Interest earned	4,000	5,000	8,151	3,151
Other	<u>37,500</u>	<u>50,000</u>	<u>54,187</u>	<u>4,187</u>
Total miscellaneous	<u>41,500</u>	<u>55,000</u>	<u>62,338</u>	<u>7,338</u>
 Total revenues	 <u>\$ 1,054,000</u>	 <u>\$ 1,105,000</u>	 <u>\$ 1,174,292</u>	 <u>\$ 69,292</u>

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries:				
Clerk	\$ 140,268	\$ 146,249	\$ 146,249	\$ -
Deputy clerks	362,000	362,000	327,953	34,047
Payroll taxes	11,000	13,000	10,290	2,710
Clerk's supplemental fund	14,500	14,500	12,416	2,084
Hospitalization insurance	198,000	180,000	169,300	10,700
Retirement	100,000	100,000	85,025	14,975
Total personnel services and related benefits	<u>825,768</u>	<u>815,749</u>	<u>751,233</u>	<u>64,516</u>
Operating services -				
Insurance	16,000	16,000	10,235	5,765
Professional fees	43,000	47,000	44,702	2,298
Telephone	9,000	10,000	8,789	1,211
Travel and conventions	12,000	12,000	8,049	3,951
Election expense	16,000	15,000	11,278	3,722
Center for family violence contribution	3,000	3,000	2,363	637
Non-support expense	4,000	4,000	1,285	2,715
UCC filings	10,000	10,000	8,251	1,749
LCRAA fees	-	18,000	15,855	2,145
Birth certificate fees	15,300	17,000	17,206	(206)
Miscellaneous	12,400	15,400	12,067	3,333
Total operating services	<u>140,700</u>	<u>167,400</u>	<u>140,080</u>	<u>27,320</u>
Materials and supplies -				
Office supplies and operations	83,000	92,000	90,110	1,890
Dues and subscription	3,300	3,300	490	2,810
Repairs and maintenance	11,000	11,000	6,145	4,855
Equipment rental	20,000	20,000	17,457	2,543
Automotive supplies	7,000	9,000	3,901	5,099
Total materials and supplies	<u>124,300</u>	<u>135,300</u>	<u>118,103</u>	<u>17,197</u>
Capital outlay	-	25,200	25,200	-
Debt service -				
Principal payments	-	7,000	4,673	2,327
Interest	-	-	450	(450)
Total debt service	<u>-</u>	<u>7,000</u>	<u>5,123</u>	<u>1,877</u>
Total expenditures	<u>\$ 1,090,768</u>	<u>\$ 1,125,449</u>	<u>\$ 1,039,739</u>	<u>\$ 110,910</u>

FIDUCIARY FUNDS

Advance Deposit Fund -

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

Registry of Court Fund -

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

Civil Jury Fund

The Civil Jury Fund, as provided by Louisiana Revised Statute 13:3049(B)(2), is used to account for deposits which have been authorized by the court for payment of jury costs in civil cases. If the sum on deposit exceeds the jury costs, the excess shall be refunded to the party making the deposit.

EVANGELINE PARISH CLERK OF COURT
 Ville Platte, Louisiana
 Agency Funds

Combining Statement of Fiduciary Assets and Liabilities
 June 30, 2017

	Advance Deposit I	Advance Deposit II	Registry of Court	Civil Jury	Totals
ASSETS					
Cash	\$ 3,050	\$ 714,303	\$ 259,755	\$ 357,118	\$ 1,334,226
Interest-bearing deposits	40,000	1,180,000	21,139	550,000	1,791,139
Total assets	\$ 43,050	\$ 1,894,303	\$ 280,894	\$ 907,118	\$ 3,125,365
LIABILITIES					
Due to litigants and others	\$ 43,050	\$ 1,894,303	\$ 280,894	\$ 907,118	\$ 3,125,365

EVANGELINE PARISH CLERK OF COURT
 Ville Platte, Louisiana
 Agency Funds

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

	<u>Advance Deposit I</u>	<u>Advance Deposit II</u>	<u>Registry of Court</u>	<u>Civil Jury</u>	<u>Totals</u>
ASSETS					
Balances, beginning of year	\$ 43,050	\$ 1,766,825	\$ 274,875	\$ 846,818	\$ 2,931,568
Additions:					
Suits and successions	-	688,276	-	77,800	766,076
Deposits per court order	-	-	51,841	-	51,841
Total additions	<u>-</u>	<u>688,276</u>	<u>51,841</u>	<u>77,800</u>	<u>817,917</u>
Reductions:					
Clerk of court costs	-	410,560	-	50	410,610
Refunds to litigants	-	52,577	-	14,553	67,130
Other	-	2,501	-	2,584	5,085
Sheriff fees	-	64,310	-	313	64,623
Secretary of State	-	4,350	-	-	4,350
Judge's supplemental compensation fund	-	16,225	-	-	16,225
Disbursements by court order	-	10,275	45,822	-	56,097
Total reductions	<u>-</u>	<u>560,798</u>	<u>45,822</u>	<u>17,500</u>	<u>624,120</u>
Balances, end of year	<u>\$ 43,050</u>	<u>\$ 1,894,303</u>	<u>\$ 280,894</u>	<u>\$ 907,118</u>	<u>\$ 3,125,365</u>
LIABILITIES					
Due to litigants and others, beginning of year	\$ 43,050	\$ 1,766,825	\$ 274,875	\$ 846,818	\$ 2,931,568
Additions	-	688,276	51,841	77,800	817,917
Reductions	<u>-</u>	<u>560,798</u>	<u>45,822</u>	<u>17,500</u>	<u>624,120</u>
Due to litigants and others, end of year	<u>\$ 43,050</u>	<u>\$ 1,894,303</u>	<u>\$ 280,894</u>	<u>\$ 907,118</u>	<u>\$ 3,125,365</u>

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Schedule of Insurance in Force
(Unaudited)
June 30, 2017

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Surety bonds -	
Clerk	\$ 10,000
Employee theft (per employee)	5,000
Clerk's indemnity policy	1,000,000
Business auto policy	
Liability and physical damage	300,000
Medical	5,000
Uninsured motorists	300,000
Worker's compensation-	
Employer's liability	Statutory

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The Honorable Randall Deshotel
Evangeline Parish Clerk of Court
Ville Platte, Louisiana

We have audited, in accordance with 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, major fund, and the aggregate remaining fund information of the Evangeline Parish Clerk of Court (Clerk of Court) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements, and have issued our report thereon dated November 27, 2017.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider deficiency 2017-002 described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be a material weakness.

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. We consider deficiency 2017-001 described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Evangeline 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*.

Evangeline Parish Clerk of Court's Response to Findings

The Evangeline 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 corrective action plan. The Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Ville Platte, Louisiana
November 27, 2017

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

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

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>CURRENT YEAR (06/30/17) --</u>						
<u>Internal Control:</u>						
2017-001	Unknown	Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting duties.	Randall Deshotel, Clerk of Court	N/A
2017-002	2007	The Clerk of Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Randall Deshotel, Clerk of Court	N/A

Compliance:

There were no compliance findings noted.

(continued)

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
For the Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>PRIOR YEAR (06/30/16) -- Internal Control:</u>						
2016-001	Unknown	Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting duties.	Randall Deshotel, Clerk of Court	N/A
2016-002	2007	The Clerk of Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Randall Deshotel, Clerk of Court	N/A

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Evangeline Parish Clerk of Court and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Evangeline Parish Clerk of Court's management is responsible for those C/C areas identified in the SAUPs.

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

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

There were no written policies and procedures noted.

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.

There were no written policies and procedures noted.

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

There were no written policies and procedures noted.

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

e) *There were no written policies and procedures noted.*

- f) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policy and procedures were not adequate for the functions noted above.

- g) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

There were no written policies and procedures noted.

- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

There were no written policies and procedures noted.

- i) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policy and procedures were not adequate for the functions noted above.

- j) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policy and procedures were not adequate for the functions noted above.

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

There were no written policies and procedures noted.

Board (or Finance Committee, if applicable)

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

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

N/A

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

N/A

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

N/A

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

N/A

Bank Reconciliations

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

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The review of the bank reconciliations are performed by a member of management who is involved in the transactions associated with the bank account.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting management has no documentation reflecting reconciling items that have been outstanding more than 6 months.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The person responsible for collecting cash is bonded, is not responsible for depositing cash in the bank, but is responsible for recording the transaction, reconciling the bank account and does share a drawer with another person. The written documentation was not adequate.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The entity has a formal process to reconcile cash collections to the general ledger, but it is done by a person who is responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collection documentation was obtained and does address the functions noted above.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Collection documentation was obtained and does address the functions noted above.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

There is no written documentation specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchases order system not utilized.

b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Purchase orders are not utilized.

c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Invoices were approved but purchase orders were not utilized.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

No written policies were available. The person responsible for processing payments is able to add vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The person with signatory authority is responsible for initiating purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supply of unused checks is stored in a location that is only locked at night and persons with signatory authority have access to those checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp or machine is utilized.

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

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

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

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Listing was obtained and randomly selected at least one-third of the cards .

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

There was no evidence or indication that monthly statements or supporting documentation were reviewed or approved by someone other than the cardholder.

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

No finance charges or late fees were noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Monthly statements were obtained and address the functions noted above for two of the three transactions.

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

Monthly statements were obtained and do not address the functions noted above.

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

No written policies were available. Purchase orders were not utilized.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No written purchasing/disbursement policies available. Transactions examined did not require solicitation of bids or quotes.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Acquired general ledger of travel reimbursements and obtained management's representation that the general ledger was complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

No exception noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses did not exceed GSA rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

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

No exceptions noted.

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

No exception noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

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

Transactions were approved in writing by someone other than the person receiving the reimbursement.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of all contracts in effect during the fiscal period and management's representation that listing is complete.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

There is a formal/written contract that supports the services arrangement and the amount paid.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Not applicable.

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

Not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contracts were not amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Not applicable.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No employment contract or pay rate schedules were available.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No changes were made to hourly pay rates/salaries during the fiscal period.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Documentation of leave was available but not for daily attendance.

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

Employee's leave examined did have written approval for employees selected.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No terminations noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

No exceptions noted.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

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

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

No debt related to tax millages.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the entity's premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

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

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

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

Ville Platte, Louisiana
November 27, 2017

EVANGELING PARISH CLERK OF COURT

Management's Response to Statewide Agree-Upon Procedures
For the Year Ended June 30, 2017

Management Response to Item:

1a-j, 4c, 12, 16a-b, 22a, 23a

We will adopt and implement written policies and procedures that adequately address these issues.

6a-b, 7

We will adopt and implement written policies and procedures further segregating these functions.

15a,

We will adopt and implement written policies and procedures that address this issue.