

**JEFFERSON DAVIS PARISH CLERK OF COURT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30,2018**

**JEFFERSON DAVIS PARISH CLERK OF COURT**  
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# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

The Honorable Richard M. Arceneaux  
Jefferson Davis Parish Clerk of Court  
Jennings, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Clerk of Court, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Clerk of Court's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### 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 of material misstatement.

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

#### OFFICES:

2740 RUE DE JARDIN  
STE.100  
LAKE CHARLES  
LOUISIANA 70605  
(O) 337-478-7902  
(F) 337-478-3345

5100 WESTHEIMER  
SUITE 230  
HOUSTON  
TEXAS 77056  
(O) 713-588-4460  
(F) 713-966-6125

[WWW.JWALKERCO.COM](http://WWW.JWALKERCO.COM)

#### MEMBER OF:

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

### **Opinion**

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Clerk of Court, a component unit of the Jefferson Davis Parish Police Jury, as of June 30, 2018, 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 management's discussion and analysis, budgetary comparison schedule: general fund, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability and schedule of employer's contributions 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.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson Davis Parish Clerk of Court's basic financial statements. The combining statement of fiduciary assets and liabilities, schedule of changes in fiduciary assets and liabilities and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary



assets and liabilities, schedule of changes in fiduciary assets and liabilities and schedule of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 08, 2018 on our consideration of the Jefferson Davis Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Jefferson Davis Parish Clerk of Court's internal control over financial reporting and compliance.

*J. Walker & Company, APC*

Lake Charles, Louisiana

December 8, 2018



## **Management's Discussion and Analysis**

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Management's Discussion and Analysis For the Year ended June 30, 2018

The purpose of the management's discussion and analysis (MD&A) is to introduce the basic financial statements and provide an analytical overview of the Jefferson Davis Parish Clerk of Court's financial activities. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This annual report consists of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. There is also supplementary information contained in this report provided for additional information. The government-wide financial statements provide information about the activities of the Clerk of Court as a whole and present a longer-term view of its finances. Fund financial statements depict how these activities were financed in the short-term as well as what remains for future spending.

**Government-wide Financial Statements.** The government-wide financial statements present financial information for all activities of the Clerk from an economic resource measurement focus using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. They include a statement of net position and statement of activities.

*Statement of Net Position.* This statement presents information on all of the Clerk's assets, deferred outflows of resources, liabilities and inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Clerk of Court's office is improving or not.

*Statement of Activities.* This statement presents information showing how the Clerk's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Clerk's financial reliance on general revenues.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Clerk of Court has only one category of funds: governmental funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Clerk of Court's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year. Because the view of governmental funds is short-term government-wide financial statements is long-term; it is useful to compare these two perspectives. The governmental funds provide reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Management's Discussion and Analysis (Continued)  
For the Year ended June 30, 2018**

*Fiduciary Funds.* The Clerk of Court is the trustee, or fiduciary, over assets which can only be used for the trust beneficiaries; these include advance deposits, registry of court and indigent transcript funds. The activities of these funds are reported separately in the statement of fiduciary net position and schedule of changes in fiduciary net position found in supplementary information. These activities are excluded from government-wide and fund financial statements because the assets of fiduciary funds cannot be used to finance operations of the Clerk.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**FINANCIAL ANALYSIS OF THE CLERK OF COURT**

The deficit from FY 2017 to FY 2018 increased by \$4,009,220. These deficits arose primarily because of the implementation of accounting for pension obligations and not because of poor cash management. A comparison with the prior year follows:

**SUMMARY OF NET POSITION  
Governmental Activities**

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Current and other assets	\$ 590,131	\$ 286,426
Capital assets, net	<u>10,267</u>	<u>1,803</u>
Total Assets	<u>600,398</u>	<u>288,229</u>
<b>Deferred outflows of resources</b>	243,094	375,401
<u>Liabilities</u>		
Current liabilities	4,245	4,245
Long-term liabilities	<u>7,075,500</u>	<u>2,894,027</u>
Total Liabilities	7,079,745	2,898,272
<b>Deferred inflows of resources</b>	107,219	99,610
<u>Net Position</u>		
Net investment in capital assets	10,267	1,803
Unrestricted (Deficit)	<u>(6,353,739)</u>	<u>(2,336,055)</u>
Total Net Position	<u>\$ (6,343,472)</u>	<u>\$ (2,334,252)</u>

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Management's Discussion and Analysis (Continued)  
For the Year ended June 30, 2018**

Total Revenues increased by \$324,273 due in part to increase fees charged for services, while expenditures decreased by \$622,928 a summary of changes follow:

**SUMMARY OF CHANGES IN NET POSITION  
Governmental Activities**

	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Charges for services	1,651,875	1,307,375
Operation Grants	-	-
General revenues:		
Interest earned	3,878	3,745
Other revenues	<u>2,084</u>	<u>22,444</u>
Total Revenues	<u>1,657,837</u>	<u>1,333,564</u>
<u>Expenses</u>		
General government	<u>993,812</u>	<u>1,616,740</u>
Change in net position	664,025	(283,176)
Net position, beginning	<u>(7,007,496)</u>	<u>2,051,078</u>
Net position, ending	<u><u>\$ (6,343,471)</u></u>	<u><u>\$ (2,334,254)</u></u>

**BUDGETARY HIGHLIGHTS**

The Clerk of Court received \$34,405 more in revenues than anticipated during the current year. Expenditures were \$356,908 less than the amount budgeted. There was a budget amendment during the year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital assets: The Clerk of Court's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2018 and 2017, was \$10,267 and \$1,803. There were no additions during the year.

Capital assets at year - end are summarized as follows:

	<b>CAPITAL ASSETS Net of Accumulated Depreciation Governmental Activities</b>	
	<u>2018</u>	<u>2017</u>
Depreciable Assets		
Equipment and Furniture, net	<u>\$ 10,267</u>	<u>\$ 1,803</u>

## JEFFERSON DAVIS PARISH CLERK OF COURT

### Management's Discussion and Analysis (Continued) For the Year ended June 30, 2018

#### LONG -TERM DEBT

Long-term obligations of the Clerk include \$5,958,996 in post-employment benefits for the year ended June 30, 2018, an increase of \$ 4,467,619 which is the annual required contribution based on actuarial estimations less contributions made during the year. GASB adopted Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension to replace GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer.

Also reported is the Clerk's proportionate share of pension liability totaling \$1,095,894 and \$1,402,650 at June 30, 2018 and 2017, respectively. This liability is being reported in accordance with GASB Statement No. 68 implemented in the prior year. Also associated with this obligation are deferred outflows of \$243,094 and deferred inflows of \$107,219 at June 30, 2018.

#### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Clerk of Court's finances, comply with finance-related laws and regulations and demonstrate the Clerk of Court's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the Jefferson Davis Parish Clerk of Court, P. O. Box 799, 300 North Street, Room 106 Jennings, Louisiana 70546, (337) 824-1160.

## **Basic Financial Statements**

JEFFERSON DAVIS PARISH CLERK OF COURT

Statement of Net Position  
For the Year Ended June 30, 2018

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 470,621
Receivables, net	19,510
Investments	100,000
Capital assets, net of accumulated depreciation	<u>10,267</u>
 Total Assets	 <u>600,398</u>
Deferred Outflow of Resources	
Related to pension	<u>243,094</u>
 Total Assets and Deferred Outflow of Resources	 <u>843,492</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	4,245
Noncurrent Liabilities	
Compensated absences	20,610
Other post-employment benefits payable	5,958,996
Net pension liabilities	<u>1,095,894</u>
 Total Liabilities	 <u>7,079,745</u>
Deferred Inflows of Resources	
Related to pension	107,219
<b>NET POSITION</b>	
Net investment in capital assets	10,267
Unrestricted (Deficit)	<u>(6,353,739)</u>
 Total Net Position	 <u>(6,343,472)</u>
 Total Liabilities, Deferred Inflow of Resources, and Net Position	 <u>\$ 843,492</u>

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Statement of Activities  
For the Year Ended June 30, 2018

Activities	Expense	Program Revenue			Revenue
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Changes in Net Governmental Activities
Governmental activities:					
General government	\$ 993,812	\$ 1,651,875	\$ -	\$ -	\$ 658,063
Intergovernmental	-	-	-	-	-
Total governmental activities	<u>993,812</u>	<u>1,651,875</u>	<u>-</u>	<u>-</u>	<u>658,063</u>
General revenues:					
Interest					3,878
Other revenues					<u>2,084</u>
Total general revenues and transfers					5,962
Change in net position					664,025
Net position - July 1, 2017					(2,334,252)
Change in accounting principle					<u>(4,673,244)</u>
Net position - June 30, 2018					<u>\$ (6,343,472)</u>

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Balance Sheet  
Governmental Funds  
For the Year Ended June 30, 2018

ASSETS

	<u>General Funds</u>
Assets:	
Cash and cash equivalents	\$ 470,621
Accounts receivable, net	19,510
Investments	<u>100,000</u>
 Total Assets	 <u>\$ 590,131</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable	\$ 4,245
 Fund Balance:	
Unassigned	 <u>585,886</u>
 Total Liabilities and Fund Balances	 <u>\$ 590,131</u>

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Reconciliation of the Governmental Funds Balance Sheet  
To the Government-wide Statement of Net Position  
For the Year Ended June 30, 2018

Total Fund Balances – Governmental Funds	\$ 585,886
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation reported on the Statement of Net Position	10,267
Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the Clerk’s governmental activities:	
Compensated absences	(20,610)
Other post-employment benefits	(5,958,996)
Net pension liability	(1,095,894)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources related to pensions	243,094
Deferred inflows of resources related to pensions	<u>(107,219)</u>
Total Net Position – Governmental Activities	<u>\$ (6,343,472)</u>

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018

REVENUES

Intergovernmental revenues	\$ 33,921
Charges for services:	
Court costs and fees	1,255,417
Certified copies and data processing	34,573
Licenses	5,501
Recording fees	322,462
Interest earned	3,878
Other revenues	<u>2,085</u>
Total Revenues	1,657,837

EXPENDITURES

General government	<u>1,354,132</u>
Change in Fund Balance	303,705
Fund Balance, beginning	<u>282,181</u>
Fund Balance, ending	<u>\$ 585,886</u>

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures, and Changes in Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2018

Net Change in Fund Balance – Governmental Funds \$ 303,705

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

Governmental funds report capital outlays as expenditures.  
However, in the Statement of Activities, the cost of those  
assets are allocated over their useful lives as depreciation  
expense. This is the amount by which depreciation charged  
differed from capital outlay in the current period

Depreciation expense	(2,162)
Capital outlay	8,247

Governmental funds report payments on long-term obligations  
as expenditures. However, in the Statement of Activities, these  
payments are recognized as decreases in the long-term debt.  
This is the change in long-term obligations during the year.

Retirement contribution	(100,147)
Compensated absences	(20,610)
Other post-retirement benefit expense	312,426
Pension expense	<u>162,566</u>

Change in Net Position – Governmental Activities \$ 664,025

JEFFERSON DAVIS PARISH CLERK OF COURT

Statement of Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2018

	<u>Agency Funds</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,803,395
Investments	<u>200,000</u>
Total Assets	<u>\$ 2,003,395</u>
<b>NET POSITION</b>	
Held in trust for others	<u>\$ 2,003,395</u>
Total Net Position	<u>\$ 2,003,395</u>

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

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements For the Year Ended June 30, 2018

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### Introduction

The Jefferson Davis Parish Clerk of Court (hereinafter referred to as the Clerk), as provided by Article V, Section 28 of the Louisiana Constitution of 1974, serves as the ex-officio notary public; the recorder of conveyances, mortgages and other acts; and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

### Note 1 – Summary of Significant Accounting Policies

The accounting and reporting practice of the Clerk conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental units*.

The following is a summary of certain significant accounting policies:

#### Financial Reporting Entity

Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Jefferson Davis Police Jury is the financial reporting entity for Jefferson Davis Parish. The Clerk, therefore, is considered a component unit of the Jefferson Davis Police Jury. It has been determined that the financial statements of the Police Jury would be misleading if data of the Clerk is not included because of the nature or significance of the relationship. The accompanying financial statements, however, present only the transactions of the Jefferson Davis Parish Clerk of Court.

#### Basic Financial Statements – Government-wide Statements

In accordance with Government Accounting Standards Boards Statement No. 34, the Clerk has presented a statement of net position and statement of activities for the Clerk as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### *Eliminating Internal Activity*

Inter-fund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

### *Capitalizing Assets*

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

Using the requirements of GASB Statement No. 34, the Clerk is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively at the time of adoption of this statement. The Clerk does not have any infrastructure assets and opted not to retroactively report these types of capital assets.

### *Program Revenues*

The statement of activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Clerk. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

### *Allocation of Indirect Expenses*

The Clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct Expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### *Operating Revenues*

Proprietary funds separately report operating and non-operating revenues.

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### *Restricted Net Position*

Restricted net position is those for which a constraint has been imposed either externally or by law. The Clerk recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position is used.

### **Basic Financial Statements – Fund Financial Statements**

The Clerk uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Clerk are classified under two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

#### **Governmental Fund Type:**

Governmental funds account for all or most of the Clerk's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Clerk include:

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

#### **Fiduciary Fund Type:**

These fund types are used to account for assets held in trust for third-party individuals, private organizations and/or other governmental units/funds. Fiduciary funds include:

**Agency Funds** - The Advance Deposit and Registry of Court agency funds account for assets held by the Clerk as an agent for others, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### **Basis of Accounting/Measurement Focus**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting

principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

#### *Accrual*

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

#### *Modified Accrual*

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

#### *Budgets and Budgetary Accounting*

The Clerk adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. Appropriations lapse at year-end. There were amendments made to the budget during the fiscal year ended June 30, 2018.

#### *Cash and Cash Equivalents*

Cash includes amounts in demand deposits, interest bearing demand deposits and time certificates. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the Clerk may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### *Investments*

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

### *Inventory*

Inventory is stated at cost. It includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

### *Receivables*

Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. There is no allowance recorded in the accompanying financial statements as management expects 100% of its outstanding receivables to be collected. Revenues become susceptible to accrual when they become both measurable and available.

### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *Capital Assets*

The Clerk's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: equipment and furniture -5-7 years.

### *Compensated Absences*

The Clerk has the following policy relating to vacation and sick leave:

Vacation leave - All full-time employees of the Clerk earn vacation leave at a rate of 2 to 4 weeks each year, depending upon their length of service. Vacation must be used prior to June 30.

Sick leave - Sick leave, referred to as personal leave, is earned at a rate of one day per month employed. Personal leave is typically used in the month in which it is earned unless an illness requires additional time off. Accumulated personal leave is not paid upon termination from employment.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures in the General Fund when leave is actually earned.

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### Long-Term Obligations

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

### Pension Plan

The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer schedules in accordance with GASB No. 68

*Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* which provides for the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

### Net Position/Fund Balances

In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

#### *Net Investment in Capital Assets*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

#### *Restricted Net Position*

Net positions that are reserved by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, this non-expendable net position is recorded separately from expendable net position. These are components of restricted net position.

#### *Unrestricted Net Position*

This category represents net position not appropriable for expenditures or legally segregated for a specific future use. In the Balance Sheet of governmental funds, fund balances are segregated as follows:

#### *Non-spendable*

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### *Restricted*

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

### *Committed*

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

### *Assigned*

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

### *Unassigned*

This category represents that portion of equity that is available for any purpose.

### **Net Pension Liability**

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.

### **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 further 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.

### **New GASB Statement**

During the year ended June 30, 2018 the Jefferson Davis Parish Clerk of Court adopted Government Accounting Standards Board (GASB) Statement No. 75 -*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45.

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

### Inter-fund Transactions

All inter-fund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

### Note 2 – Cash and Cash Equivalents

Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At June 30, 2018, the Clerk of Court has cash and cash equivalents (book balances) totaling \$470,621.

#### Fiduciary Funds

Cash and Cash Equivalents	\$ 1,803,395
Investment	<u>200,000</u>
Total	<u>\$ 2,003,395</u>

Of this amount \$766,793 is held by the Advance Deposit and \$1,236,602 Registry of Court Funds.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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. Cash and cash equivalents (bank balances) at June 30, 2018 are secured as follows:

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the Clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk's name.

### Note 3 – Investments

Investments at June 30, 2018, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Carrying Value</u>
Certificates of Deposit	\$ 300,000	\$ 300,000	\$ 300,000

There is \$100,000 in time deposits held for governmental activities and \$200,000 held by fiduciary funds.

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018**

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**Note 4 - Receivables**

The net receivables, with the exception of interfund transactions, at June 30, 2018, are as follows:

Charges for Services	\$ 19,510
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**Note 5 – Capital Assets**

Capital assets are capitalized at a historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements, but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives. Capital asset activity for the year ended June 30, 2018, is as follows:

Capital Assets Being Depreciated	Beginning Balance	Additions	Deductions	Ending Balance
Furniture/Equipment	\$ 70,618	\$ 8,247	\$ -	\$ 78,865
Less: Accumulated Depreciation	<u>66,436</u>	<u>2,162</u>	<u>-</u>	<u>68,598</u>
Net Furniture/Equipment	<u>\$ 4,182</u>	<u>\$ 6,085</u>	<u>\$ -</u>	<u>\$ 10,267</u>

All depreciation expense was charged to government activities.

**Note 6 – Accounts Payable and Other Payables**

The accounts payable, with the exception of interfund and intergovernmental transaction, at June 30, 2018 are as follows:

Accounts Payable	\$ 4,245
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Fiduciary funds had unsettled deposits and other payables held in trust for others of \$ 2,003,395 at June 30, 2018.

**Note 7 – Intergovernmental Transactions**

Intergovernmental revenues of the general fund for the year ended June 30, 2018, was as follows:

State Supplement	\$ 18,778
LA Department of Elections	<u>15,143</u>
Total	<u>\$ 33,921</u>

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### **Note 8 – On-behalf Payments**

Certain operating expenditures of the Clerk are paid by the Jefferson Davis Parish Police Jury and are not included in the accompanying financial statements.

### **Note 9 - Leases**

There are no operating or capital leases reported in the accompanying financial statements.

### **Note 10 – Annual and Sick Leave**

All employees of the Clerk of Court's office earn from two to four weeks of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the Clerk's office earn one day per month of sick leave. Employees are not paid for accumulated sick leave upon termination of employment.

### **Note 11 – Risk Management**

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

### **Note 12 – Pension Plan**

#### **Plan Description**

Employees of Jefferson Davis Parish Clerk of Court are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org).

#### *Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

#### **Retirement Benefits**

The age and years of creditable service required for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing

## JEFFERSON DAVIS PARISH CLERK OF COURT

### Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

### 1. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

### 2. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

### 3. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

### 4. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018**

***Contributions***

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member’s salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2018 for the various plans follow:

<b>Plan</b>	<b>Plan Status</b>	<b>Employee Rate</b>	<b>Employer Rate</b>
Appellate Law Clerks	Closed	7.50%	37.90%
Appellate Law Clerks hired on or after 7/01/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	32.70%
Bridge Police	Closed	8.50%	36.50%
Bridge Police hired on or after 7/01/06	Closed	8.50%	36.50%
Corrections Primary	Closed	9.00%	33.20%
Corrections Secondary	Closed	9.00%	37.60%
Harbor Police	Closed	9.00%	6.10%
Hazardous Duty	Open	9.50%	38.30%
Judges hired before 1/01/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.60%
Judges hired on or after 7/01/15	Open	13.00%	39.60%
Legislators	Closed	11.50%	41.70%
Optional Retirement Plan (ORP) before 7/01/06*	Closed	7.50%	33.80%
Optional Retirement Plan (ORP) on or after 7/01/06*	Closed	8.00%	33.80%
Peace Officers	Closed	9.00%	36.70%
Regular Employees hired before 7/01/06	Closed	7.50%	37.90%
Regular Employees hired on or after 7/01/06	Closed	8.00%	37.90%
Regular Employees hired on or after 1/01/11	Closed	8.00%	37.90%
Regular Employees hired on or after 7/01/15	Open	8.00%	37.90%
Special Legislative Employees	Closed	9.50%	43.70%
Wildlife Agents	Closed	9.50%	46.60%

\*For ORP the projected employer contribution effort was calculated using the shared UAL portion of the contribution rate.

The information above can be found in the current Employer Pension Audit Report located <https://lasersonline.org/employers/gasb-68-resources/> . The data provided is sample data only.

The agency’s contractually required composite contribution rate for the year ended June 30, 2017 was 19% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018

plan from the Agency were \$124,158 for the year ended June 30, 2018.

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

At June 30, 2018, the Employer reported a liability of \$1,095,894 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Agency's proportion was 0.724350%, which was a decrease of 0.03385% from its proportion measured as of June 30, 2016.

At June 30, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual results	\$ 33,188	\$ 28,757
Changes of assumptions	47,796	-
Net difference between projected and actual earnings on plan investments	15,008	-
Changes in proportion	19,455	78,462
Clerk's contributions subsequent to the measurement date	<u>127,647</u>	<u>-</u>
Total	<u>\$ 243,094</u>	<u>\$107,219</u>

The information above can be found in the current GASB 68 Schedules by Employer located <https://lasersonline.org/employers/gasb-68-resources/>.

\$127,647 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements (Continued)  
For 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 ending June 30,	
2019	\$ 10,737
2020	43,863
2021	2,360
2022	<u>(48,732)</u>
	<u>\$ 8,228</u>

*Actuarial Assumptions*

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.00%, net of investment expense
Projected Salary Increases	5.00%
Inflation Rate	2.50%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2017 - 5 years 2016 - 5 years 2015 - 5 years 2014 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively

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

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018**

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 7.60%, for the year ended June30, 2017.

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, 2017, is summarized in the following table:

LACRF*		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.25%
Domestic Equity:		
Large cap domestic equity	21.00%	5.25%
Non-large cap domestic equity	7.00%	5.00%
International Equity:		
Large cap international equity	14.00%	5.25%
Small cap international equity	6.50%	5.25%
Emerging markets	6.50%	7.25%
Real estate	10.00%	4.50%
Master limited partnerships	5.00%	7.00%
Hedge funds	10.00%	3.00%
	<u>100.00%</u>	

\* Arithmetic real rates of return

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 employee contributions 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 pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018**

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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 of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.0%, as well as what the Employer's proportionate share of the 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 as of June 30, 2017:

Discount Rate	Changes in Discount Rate		
	1% Decrease	Current Rate	1% Increase
Net Pension Liability	\$1,677,111	\$1,095,894	\$602,461

The information above can be found in the current GASB 68 Schedules of Employer located <https://lasersonline.org/employers/gasb-68-resources/>.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

**Payables to the System**

At June 30, 2018, the Clerk did not have any amounts owed to the pension plan.

**Note 13 – Deferred Compensation Plan**

All the employees of the Clerk are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$16,500 per year) to the plan on a pre-tax basis. The contributions are withheld from the employee's paycheck and the Clerk matches up to \$300 per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each payday where they are deposited to an account in the employee's name. The Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2018, the Clerk's matching funds totaled \$19,372.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018

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**Note 14 – Other Post-Employment Benefits**

*Plan Description*

The Clerk's defined benefit post-employment health care plan provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Plan is affiliated with the Louisiana Clerks of Court Insurance Trust (LCCIT), an agent multiple-employer post-employment health care plan administered by the Louisiana Clerks of Court Association.

*Funding Policy*

The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk currently pays 100% towards the premiums for eligible retired plan members as well as the cost for their spouses and dependent children. During the current year, the Clerk contributed approximately \$66,499 to the plan on behalf of participating retirees. The implicit subsidy used for actuarial purposes totaled \$95,160.

*Employees covered by benefit terms*

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

Retired	11
Terminated	-
Active Employees	<u>13</u>
Total	<u><u>24</u></u>

*Total OPEB Liability*

The Clerk's total OPEB liability of \$5,958,996 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018.

*Actuarial assumptions and other inputs.*

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

Age Adjustment Factor:	1.309388
Average Retirement Age:	62
Discount Rate:	2.210%
Bond Yield:	2.210%
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Percentage Participation:	100.00%

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018**

Projected Salary Increases:	3.00%
Amortization Period:	20
Measurement Date:	6/30/2018
NOL and ADC:	Calculated using the Alternative Measurement Method in accordance with GASB methodology
Turnover Assumption:	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of employee group covered by the Federal Employees Retirement System.
Mortality Table:	RP2000 Mortality Table for Males and Females Projected 18 years; This assumption does not include a margin for future improvements in longevity.

*Changes in the Net OPEB Liability*

	<u>Total OPEB Liability</u>
Balance at 6/30/2017	\$1,491,377
Changes for the year:	
Service Cost	286,178
Interest	26,248
Effect of Economic/Demographic Gains or Losses	5,163,737
Changes in Assumptions/Inputs	(468,166)
Change in Benefit Terms	0
Benefit payments	0
Employer Contributions	<u>(540,379)</u>
Net Changes	<u>4,467,618</u>
Balance at 6/30/2018	<u>\$5,958,996</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.*

The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.210 percent) or 1-percentage-point higher (3.210 percent) than the current discount rate. Discount Rate Assumption use discount rate baseline is 2.210%:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(1.210%)</u>	<u>(2.210%)</u>	<u>(3.210%)</u>
Total OPEB Liability	\$7,025,875	\$5,958,996	\$5,096,120

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2018**

*Sensitivity of the total OPEB liability to changes in the healthcare trend rates.*

Healthcare trend rate baseline is:

	Medical	Pharmacy	Dental	Vision
Year 1	4.60%	7.60%	3.50%	3.00%
Year 2	4.70%	6.20%	3.00%	3.00%
Year 3	4.80%	4.90%	3.00%	3.00%
Year 4	4.80%	4.80%	3.00%	3.00%
Year 5	4.80%	4.80%	3.00%	3.00%
Year 6	4.80%	4.80%	3.00%	3.00%
Year 7	4.70%	4.70%	3.00%	3.00%
Year 8	4.70%	4.70%	3.00%	3.00%
Year 9	4.70%	4.70%	3.00%	3.00%
Year 10+	4.70%	4.70%	3.00%	3.00%

The OPEB liability calculated using healthcare trend rates 1% greater than and 1% less than the baseline trends are shown in the table below. The ACA excise tax will ultimately affect all plans. Due to the variability of the ACA excise tax by plan, the user needs to estimate the impact and the trend. The excise tax could raise the average annual trend rate by 0.5% or more in each year.

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$5,180,865	\$5,958,996	\$6,940,609

*payables to the OPEB Plan*

At June 30, 2018, the Clerk did not have any amounts owed to the OPEB plan.

**Note 15 – Long-Term Obligations**

Long-term liabilities include the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Net OPEB Obligation	\$ 1,491,377	\$ 4,467,619	\$ -	\$ 5,958,996
Net pension liability	<u>1,402,650</u>	<u>-</u>	<u>306,756</u>	<u>1,095,894</u>
Total	<u>\$ 2,894,027</u>	<u>\$ 4,467,619</u>	<u>\$ 306,756</u>	<u>\$ 7,054,890</u>

# JEFFERSON DAVIS PARISH CLERK OF COURT

## Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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### Note 16 – Deficit Net Position

As a result of implementing GASB No. 68 - *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, the Clerk's net position was a deficit of \$6,343,472. Reporting for governmental funds provided for a positive fund balance of \$585,886.

### Note 17 – Related Party Transactions

There were no related party transactions requiring disclosure.

### Note 18 – Litigation and Claims

There is no litigation that would require disclosure in the accompanying financial statements.

### Note 19 – Expenditures

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

### Note 20 – Change in Accounting Principal

In June 2015, the Governmental Standards Board (GASB) approved Statement NO. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB Statement NO.75 will improve accounting and financial reporting by state and local governments for implemented by the Clerk during the year ended June 30, 2018. The Statement resulted in a restatement of net position as follows:

	Governmental Activities
Net Positon, June 30, 2017, as previously reported	\$ (2,334,252)
Change in accouting principle:	
Net effect of implementing GASB Statement NO.75	<u>(4,673,244)</u>
Net postion, June 30, 2017, as restated	<u><u>\$ (7,007,496)</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**JEFFERSON DAVIS PARISH CLERK OF COURT**

General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fund Balance, Beginning	\$ 282,544	\$ 282,544	\$ 282,181	\$ (363)
Revenues				
Intergovernmental	32,220	38,000	33,921	(4,079)
Charges for services:				
Court costs and fees	800,000	1,131,260	1,255,417	124,157
Certified copies	88,000	63,804	34,573	(29,231)
Licenses	6,500	5,376	5,501	125
Recording fees	350,000	358,400	322,462	(35,938)
Interest earned	3,600	3,252	3,878	626
Other revenue	1,000	23,340	2,085	(21,255)
	<u>1,563,864</u>	<u>1,905,976</u>	<u>1,940,018</u>	<u>34,405</u>
Total Revenues				
	<u>1,563,864</u>	<u>1,905,976</u>	<u>1,940,018</u>	<u>34,042</u>
Total available for appropriation				
Expenditures:				
Current				
General government	1,305,720	1,350,720	1,354,132	(3,412)
	<u>1,305,720</u>	<u>1,350,720</u>	<u>1,354,132</u>	<u>(3,412)</u>
Total Expenditure				
	<u>1,305,720</u>	<u>1,350,720</u>	<u>1,354,132</u>	<u>(3,412)</u>
Total charges to appropriation				
	<u>1,305,720</u>	<u>1,350,720</u>	<u>1,354,132</u>	<u>(3,412)</u>
Fund Balance, ending	<u>\$ 258,144</u>	<u>\$ 555,256</u>	<u>\$ 585,886</u>	<u>\$ 30,630</u>

JEFFERSON DAVIS PARISH CLERK OF COURT

Required Supplementary Information  
For the Year Ended June 30, 2018  
Budget to GAAP Basis Reconciliation

	General
Sources/Inflows of resources:	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,940,018
Adjustments:	(282,181)
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	
Transfers from other funds are inflows for budgetary purposes but are not revenue for financial reporting purposes	-
Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 1,657,837
Uses/Outflows of resources:	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,354,132
Adjustments:	
Transfers to other funds are outflows for budgetary purposes but are not expenditures for financial reporting purposes	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 1,354,132

**JEFFERSON DAVIS PARISH CLERK OF COURT**

Schedule of Changes in the Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2018

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 286,178
Interest	26,249
Changes of benefit terms	-
Differences btwn expected and actual experience	-
Effect of Economic/Demographic Gains or Losses	5,163,737
Changes in assumptions or other inputs	(468,166)
Employer Contributions	<u>(540,379)</u>
Net Change in Total OPEB Liability	4,467,619
Total OPEB Liability - beginning	<u>1,491,377</u>
<b>Total OPEB Liability - end</b>	<u><u>\$ 5,958,996</u></u>
Covered Employee Payroll	\$ 671,834
Total OPEB Liability as a percentage of covered employee payroll	886.97%

**Notes to Schedule:**

*Changes of Benefit Terms:* None

*Changes of Assumptions:*

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

2018	2.21%
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*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2018**

	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Employer's Proportion of the Net Pension Liability (Assets)	0.7244%	0.7582%	0.8023%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,095,894	\$ 1,402,650	\$ 1,203,417
Employer's Covered-Employee Payroll	671,309	748,147	702,256
Employer's Proportionate Share of the Net Pension Liability (Asset)			
Liability (Asset) as a Percentage of its Covered Payroll	163.2473%	208.9425%	160.8530%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.6914%	74.1700%	78.1300%

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

See Independent Auditors' Report

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Schedule of Employer's Contributions  
For the Year Ended June 30, 2018**

<u>Year Ended June 30,</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions As a Percentage of Employee Payroll</u>
2018	\$ 124,158	\$ 127,648	(3,490)	\$ 671,834	19.00%
2017	127,549	137,903	(10,354)	671,309	20.54%
2016	153,963	137,903	16,060	692,041	19.93%

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

# JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to Required Supplementary Information  
For the year ended June 30, 2018

## 1. Budgetary and Budgetary Accounting

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

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

## 2. Pension Plan

- a. Schedule of Employer's Share of the Net Pension Liability.  
This schedule reflects the participation of Pointe Coupee Parish Clerk of Court's employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability.
- b. Schedule of Employer's Contributions  
This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

See Independent Auditors' Report

**JEFFERSON DAVIS PARISH CLERK OF COURT**

Notes to Required Supplementary Information (Continued)  
For the year ended June 30, 2018

c. Actuarial Assumptions for Net Pension Liability

**Valuation Date** June 30, 2017  
**Actuarial Cost Method** Entry Age Normal

**Expected Remaining Service Lives** 3 Years

**Investment Rate of Return** 7 % per annum for current year

**Inflation Rate** 2.5 % per annum for current year

**Mortality** **Non-disabled members** - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

**Disabled members** – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

**Termination, Disability, and Retirement** Termination, disability, and retirement assumptions were projected based on a five-year experience study (2009-2013) of the System's members.

**Salary Increases** Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

**Cost of Living Adjustment** The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

See Independent Auditors' Report

## JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to Required Supplementary Information (Continued)  
For the year ended June 30, 2018

### 3. Post-Retirement Benefits Other Than Pensions

- a. Jefferson Davis Parish Clerk of Court (the “Clerk”) provides post-employment Medicare supplement, Medicare Part D prescription drug, and life insurance benefits on behalf of its eligible retirees and their dependents. As a result, the Clerk is required to implement the Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), which replaces GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer.
- b. GASB 75 allows an actuarial valuation date no earlier than thirty months and one day prior to the fiscal year end reporting date and a measurement date no earlier than one year and one day prior to the fiscal year end reporting date. For the reporting year ending June 30, 2018, we have a measurement date of June 30, 2018.

See Independent Auditors’ Report

## **OTHER SUPPLEMENTARY INFORMATION**

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Supplementary Information**

Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2018

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalent	\$ 566,793	\$ 1,236,602	\$ 1,803,395
Investments	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Assets	<u>766,793</u>	<u>1,236,602</u>	<u>2,003,395</u>
<b>NET POSITION</b>			
Held in trust for others	<u>766,793</u>	<u>1,236,602</u>	<u>2,003,395</u>
Total Net Position	<u>\$ 766,793</u>	<u>\$ 1,236,602</u>	<u>\$ 2,003,395</u>

See Independent Auditors' Report

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Supplementary Information**

Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2018

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
<b>Additions</b>			
Interest earned	\$ 327	\$ 592	\$ 919
Suits and successions	<u>898,613</u>	<u>25,000</u>	<u>923,613</u>
Total Additions	<u>898,940</u>	<u>25,592</u>	<u>924,532</u>
<b>Deductions</b>			
Clerk of Court's costs	563,506	-	563,506
Settlement to Litigant/Others	166,820	-	166,820
Sheriff's Fees	63,254	-	63,254
Other Deductions	<u>52,917</u>	<u>-</u>	<u>52,917</u>
Total Deductions	<u>846,497</u>	<u>-</u>	<u>846,497</u>
Change in Net Position	52,443	25,592	78,035
Net Position, beginning	<u>714,350</u>	<u>1,211,010</u>	<u>1,925,360</u>
Net Position, ending	<u>\$ 766,793</u>	<u>\$ 1,236,602</u>	<u>\$2,003,395</u>

See Independent Auditors' Report

**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Supplementary Information**

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

**Agency Head**

Richard Arceneaux  
Clerk of Court

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 142,909
Deferred compensation	8,814
Benefits – Retirement	27,913
Benefits – Group Insurance	19,002
Election fees	2,100
Travel:	
Auto Allowance	14,400
Registration/memberships Fees	1,950
Per Diem	700
Meals/Lodging	<u>4,909</u>
 Total Compensation, Benefits and Other Payments	 <u>\$ 226,697</u>

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**



# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## 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*

Honorable Richard Arceneaux, Clerk of Court  
Jefferson Davis Parish Clerk of Court  
Jennings, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Clerk of Court, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 8, 2018.

### Internal Control over Financial Reporting

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

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

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

#### OFFICES:

2740 RUE DE JARDIN  
STE.100  
LAKE CHARLES  
LOUISIANA 70605  
(O) 337-478-7902  
(F) 337-478-3345

5100 WESTHEIMER  
SUITE 230  
HOUSTON  
TEXAS 77056  
(O) 713-588-4460  
(F) 713-966-6125

[WWW.JWALKERCO.COM](http://WWW.JWALKERCO.COM)

#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Jefferson Davis 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*.

## **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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*J. Walker & Company, APC*

Lake Charles, Louisiana

December 8, 2018



**JEFFERSON DAVIS PARISH CLERK OF COURT**

**Schedule of Findings and Responses  
For the Year Ended June 30, 2018**

**I. Summary of Auditors' Results**

**a. Financial Statements**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Jefferson Davis Parish Clerk of Court.
2. There were no control deficiencies disclosed during the audit of the financial statements and reported in the *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*.
3. There was no instance of noncompliance that is reported in the *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*.

**b. Federal Awards**

N/A

**c. Management Letter**

No management letter was issued in connection with the audit for the year ended June 30, 2018.

JEFFERSON DAVIS PARISH CLERK OF COURT

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

II. **Findings – Financial Statement Audit**

No Current Findings.

JEFFERSON DAVIS PARISH CLERK OF COURT

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

III. Summary of Prior Year Findings

2017-01 Failure to timely file audit report

Fiscal Year Finding Originated: 2017

Condition:

The Organization failed to submit audited report to LA Legislative Auditor in a timely manner.

Corrective Action Plan:

The Clerk of Court should engage independent auditor in a timely manner to ensure adequate time for completion of audit and the timely filing of report.

Current Status:

Resolved.

## **Statewide Agreed Upon Procedures**



# J. WALKER & COMPANY<sub>APC</sub>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Richard Arceneaux  
Jefferson Davis Parish Clerk of Court  
Jennings Louisiana, and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Jefferson Davis 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, 2017 through June 30, 2018. The Clerk's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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

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

*We performed the above procedure and noted the following exception:*

**Written policies and procedures did not including a procedure requiring public notice a public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.**

**Management's Response: See Management's Response letter.**

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.

*We performed the above procedure and noted the following exceptions:*

**Written policies and procedures did not including the preparation and approval process of purchase requisitions and purchase orders.**

**Management Response: See management's response letter.**

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

*We performed the procedure above and noted no exceptions.*

#### OFFICES:

2740 RUE DE JARDIN  
STE.100  
LAKE CHARLES  
LOUISIANA 70605  
(O) 337-478-7902  
(F) 337-478-3345

5100 WESTHEIMER  
SUITE 231  
HOUSTON  
TEXAS 77056  
(O) 713-588-4460  
(F) 713-966-6125

WWW.JWALKERCO.COM

#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

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

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:



- a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*The Jefferson Davis Clerk of Court does not have a board or finance committee. Therefore, these procedures are not applicable.*

#### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*We performed the procedure above and noted no exceptions.*
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  

*We performed the procedure above and noted no exceptions.*
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*We performed the procedures above and noted no exceptions.*



### ***Collections***

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the above procedure and noted the following exceptions:***

**All employees who have access to cash are not covered by a bond or insurance policy for theft.**

**Management's Response: See management's response letter.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:



- a) Observe that receipts are sequentially pre-numbered.  
*We performed the procedure above and noted no exceptions.*
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*We performed the procedure above and noted no exceptions.*
- c) Trace the deposit slip total to the actual deposit per the bank statement.  
*We performed the procedure above and noted no exceptions.*
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).  
*We performed the procedure above and noted no exceptions.*
- e) Trace the actual deposit per the bank statement to the general ledger.  
*We performed the procedure above and noted no exceptions.*

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

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
*We performed the above procedure and noted the following exceptions:*  
**Per entity's policy provided, no purchase order system in order.**  
**Management's Response: See management's response letter.**
  - b) At least two employees are involved in processing and approving payments to vendors.  
*We performed the procedure above and noted no exceptions.*
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
*We performed the procedure above and noted no exceptions.*



- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*We performed the procedure above and noted no exceptions.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

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

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

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

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*



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

*We performed the procedure above and noted no exceptions.*

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

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*We performed the procedure above and noted no exceptions.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*We performed the procedure above and noted no exceptions.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*We performed the procedure above and noted no exceptions.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*We performed the procedure above and noted no exceptions.*

#### Contracts

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



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

**No contracts reached the threshold for public bid under the Louisiana Public Bid Law. Therefore, no procedures were performed.**

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

**Not applicable.**

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and note the following exceptions:*

**For 1 out of 5 contracts selected, there's no contract in place.**

**Management's Response: See management's response letter.**

### Payroll and Personnel

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

*We performed the procedure above and noted no exceptions.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*We performed the procedure above and noted no exceptions.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*We performed the procedure above and noted no exceptions.*



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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

### *Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*We performed the procedure above and noted no exceptions.*

- Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*We performed the procedure above and noted no exceptions.*

### *Debt Service*

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

*The Jefferson Davis Parish Clerk of Court did not issue debt during the fiscal period. Therefore, these procedures are not applicable.*

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

*The Jefferson Davis Parish Clerk of Court does not have any outstanding bonds or notes at the end of the fiscal year. Therefore, these procedures are not applicable.*



*Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*We performed the procedure above and noted no exceptions.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*We performed the procedure above and noted no exceptions.*

*J. Walker & Company, APC*

Lake Charles, Louisiana  
December 05, 2018



**CLERK OF COURT  
JEFFERSON DAVIS PARISH**

**P. O. BOX 799  
JENNINGS, LA 70546  
(337) 824-1160**

**Richard M. Arceneaux  
Clerk of Court**

**Missy Gary  
Chief Deputy**

December 27, 2018

J. Walker & Company, APC  
2740 Rue de Jardin, Suite 100  
Lake Charles, LA 70605

RE: MANAGEMENT RESPONSE LETTER/AGREED UPON PROCEDURES

Dear Mr. Walker:

Please accept this letter as my report of the remedial action taken and to be taken as a result of the referenced exceptions.

1. a) Written policies and procedures will be amended to include procedures for public notice that a public hearing will be held on the proposed budget at least ten days after publication of the call for the hearing..

1. b) .Written policies and procedures will be amended to include procedures for the preparation and approval process for purchase requisitions and purchase orders.

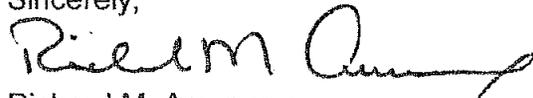
6. We were unable to find an insurance company that would issue a stand alone policy or bond for theft by employees. We will continue to attempt to obtain this coverage.

9. a) Two employees are involved and we do not have the time or personnel to implement a purchase order system. We do not believe that this agrred upon procedure requires a purchase order system.

15. d) Management will obtain contracts from all required parties.

Should you have any questions or need any more information, please contact me.

Sincerely,



Richard M. Arceneaux  
Clerk of Court