

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

JUNE 30, 2017



**EAST FELICIANA PARISH CLERK OF COURT
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BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2017**

TABLE OF CONTENTS

	<u>Page No.</u>
BASIC FINANCIAL STATEMENTS	
Independent Auditor’s Report.....	4
Required Supplemental Information (Part 1 of 2)	
Management’s Discussion and Analysis	8
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities.....	15
Fund Financial Statements	
Governmental Funds:	
Balance Sheet.....	17
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Statement of Revenue, Expenditures and Changes in Fund Balances.....	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	20
Fiduciary Funds:	
Statement of Fiduciary Net Position	21
Notes to Financial Statements	
Notes	23
Required Supplemental Information (Part 2 of 2)	
Budgetary Comparison Schedule – General Fund.....	42
Schedule of Funding Progress	43
Schedule of Employer’s Share of Net Pension Liability	44
Schedule of Employer Contributions.....	45

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2017**

TABLE OF CONTENTS

	<u>Page No.</u>
SUPPLEMENTARY INFORMATION	
Combining Statements of Fiduciary Net Position	48
Schedule of Changes in Fiduciary Net Position	49
Schedule of Compensation, Benefits and Other Payments to Agency Head.....	50
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51
Schedule of Findings and Responses.....	53
Summary Schedule of Prior Year Findings	54

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@franklinton.net

Member
AICPA

Member
LCPA

INDEPENDENT AUDITORS' REPORT

The Honorable David Dart
East Feliciana Parish Clerk of Court
P. O. Box 599
Clinton, Louisiana 70722

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental-type activities of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements as listed in the table of contents. I have also audited each fiduciary fund type of the East Feliciana Parish Clerk of Court, as of and for the year ended June 30, 2017, as displayed in the Clerk of Court's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities as well as each fiduciary fund type of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule and schedules of funding progress, employer's share of net pension liability and employer 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters – Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements. The combining statement of fiduciary net position, schedule of changes in fiduciary net position 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 of to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In my opinion, the combining statement of fiduciary net position, schedule of changes in fiduciary net position 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*, I have also issued my report dated December 27, 2017, on my consideration of the East Feliciana Parish Clerk of Court's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Feliciana Parish Clerk of Court's internal control over financial reporting and compliance.



Minda B. Raybourn CPA
Franklinton, LA
December 27, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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 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 beginning on page 9.

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 other 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.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk 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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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 and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. The governmental funds provide a reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints. These statements can be found on pages 12-15 of this report.

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 activity of these funds are reported separately in the statement of fiduciary net position on page 16 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. The index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

FINANCIAL ANALYSIS OF THE CLERK OF COURT

The net assets increased by \$14,658 from \$48,701 to \$63,359. This decrease is a result of expenses recognized in relation to post-employment benefits and depreciation.

Below is a comparison of the current and prior year's net position.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

**SUMMARY OF NET POSITION
GOVERNMENTAL ACTIVITIES**

	2017	2016
Assets		
Current assets	482,107	690,601
Investments	345,344	110,216
Capital assets, net	12,213	13,839
Total Assets	839,664	814,656
 Deferred Outflows of Resource	 301,198	 163,228
 Liabilities		
Current liabilities	27,057	41,193
Long-term liabilities	1,021,496	828,517
Total Liabilities	1,048,553	869,710
 Deferred Inflows of Resources	 28,950	 59,472
 Net Position		
Net Investment in capital assets	12,213	13,839
Unrestricted	51,147	34,862
Net Position	63,359	48,701

Total revenues increased slightly by \$16,328 or 2%. Expenditures decreased by \$20,031 or 2%.

A summary of changes in net position is as follows:

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

**SUMMARY OF CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES**

	2017	2016
Revenues		
Charges for services	791,410	815,209
Grants	-	-
General Revenues	60,804	20,678
Total Revenues	852,214	835,886
Expenses		
Intergovernmental	27,547	31,251
General government	810,010	826,336
Total Expenses	837,556	857,587
Change in net position	14,658	(21,701)
Net position, beginning	48,701	70,402
Net position, ending	63,359	48,701

BUDGETARY HIGHLIGHTS

The Clerk received more in revenues than it anticipated in the year ended June 30, 2017, by \$214,685. At the same time, expenditures were \$44,288 or 5% less than budgeted amounts. Overall there was a positive variance of \$40,768 in change in net position.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Clerk's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2017 and 2016, was \$12,213 and \$13,836, respectively. There were no additions or disposals during the current year.

Capital assets at year-end are summarized as follows:

	2017	2016
Furniture	12,087	13,356
Equipment	126	480
Total	<u>12,213</u>	<u>13,836</u>

Long-Term Debt: Long-term obligations of the Clerk include obligations extending beyond one year of \$199,127 and \$173,773 at June 30, 2017 and 2016, respectively, in post-employment benefits, an increase of \$25,354 which is the annual required contribution based on actuarial estimations less contributions made during the year.

Also reported is the Clerk's proportionate share of pension liability totaling \$822,369 and \$654,744 at June 30, 2017 and 2016, respectively. This liability is being reported in accordance with GASB Statement No. 68 implemented in the current year. These amounts are also based on actuarial estimates.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Clerk's finances, comply with finance-related laws and regulations and demonstrate the Clerk's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the East Feliciana Parish Clerk of Court, P. O. Box 599, Clinton, Louisiana 70722, 225-683-5145.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2017**

ASSETS

Cash and cash equivalents	\$	469,580
Receivables		12,527
Investments		345,344
Capital assets, net		12,213
Total Assets		839,664

DEFERRED OUTFLOWS OF RESOURCES

Related to pensions	301,198
---------------------	---------

LIABILITIES

Accounts payable	1,670
Payroll deductions payable	20,492
Due to other governmental agencies	4,896
Other post-employment benefits payable	199,127
Net pension liability	822,369
Total Liabilities	1,048,553

DEFERRED INFLOWS OF RESOURCES

Related to pensions	28,950
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NET POSITION

Net investment in capital assets	12,213
Unrestricted	51,147
Total Net Position	63,359

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

<u>Functional/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 810,010	\$ 761,666	\$ -		\$ (48,344)
Intergovernmental	27,547	29,744	-	-	2,198
Total Governmental Activities	837,556	791,410	-	-	(46,146)
General Revenues					
					3,572
					10,602
					46,629
					60,804
					14,658
					48,701
					63,359

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

FUND FINANCIAL STATEMENTS

EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

ASSETS

Cash and cash equivalents	469,580
Receivables:	
Accounts, net	12,527
Investments	<u>345,344</u>
Total Assets	<u><u>827,451</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	1,670
Payroll deductions payable	20,492
Due to other governmental agencies	<u>4,896</u>
Total Liabilities	27,057
Fund Balances:	
Unassigned	<u>800,394</u>
Total Liabilities and Fund Balances	<u><u>827,451</u></u>

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

EAST FELICIANA PARISH CLERK OF COURT
 CLINTON, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 JUNE 30, 2017

Total Fund Balances - Total Governmental Funds	\$	800,394
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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 Statements of Net Position.		12,213
--	--	--------

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:		
Other post-employment benefits		(199,127)
Net pension liability		(822,369)

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		301,198
Deferred inflows of resources related to pensions		(28,950)

Total Net Position - Governmental Activities		63,359
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The accompanying notes are an integral part of the basic financial statements.

EAST FELICIANA PARISH CLERK OF COURT
 CLINTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2017

REVENUES

Intergovernmental revenues	\$	29,744
Charges for services:		
Court costs and fees		470,879
Certified copies and data processing		69,002
Licenses		2,094
Recording fees		219,690
Grants		
Interest earned		3,572
Other revenues		10,602
Total Revenues		805,585

EXPENDITURES

General government		764,817
Change in Fund Balances		40,768
Fund Balances, beginning		759,626
Fund Balances, ending		800,394

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

EAST FELICIANA PARISH CLERK OF COURT
 CLINTON, LOUISIANA
 RECONCILIATION OF THE STATEMENTS OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 40,768

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

Governmental funds report capital outlays as expenditures.
 However, in the Statement of Activities, the cost of those
 assets is allocated over their estimated useful lives as
 depreciation expense.

Capital outlay which is considered expenditures on statement of revenues, expenditures, and changes in fund balance.	-	
Depreciation Expense	(1,623)	(1,623)

Non employer's contributions to the clerk of court pension plan 46,629

Some of the items reported in the statement of activities do not require the
 use of current financial resources are therefore are not reported as
 expenditures in the governmental funds.

Increase in other post-retirement benefits	(25,354)
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Pension expense not requiring the use of current economic resources and therefore, not reported as a fund expenditure	(45,761)
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Change in Net Position - Governmental Activities	14,658
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The accompanying notes are an integral part of the basic financial statements.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

ASSETS

Cash and cash equivalents	\$ 1,226,091
	Total Assets <u>\$ 1,226,091</u>

NET POSITION

Held in trust for others	<u>\$ 1,226,091</u>
	Total Net Position <u>\$ 1,226,091</u>

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

NOTES TO FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

INTRODUCTION

The East Feliciana 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 East Feliciana Parish Clerk of Court 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 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. The financial reporting entity as defined in GASB Statement No. 14, consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For financial reporting purposes, the East Feliciana Parish Police Jury is considered the financial reporting entity for East Feliciana Parish. The Clerk, therefore, is considered a component unit of the East Feliciana Parish Police Jury. The accompanying financial statements, however, present only the transactions of the East Feliciana Parish Clerk of Court.

Government-wide Accounting: In accordance with Government Accounting Standards Board 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.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

Eliminating Internal Activity

Interfund receivables and payable 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.

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.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Clerk has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Restricted Net Position

Restricted net position are 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. These resources are exhausted before unrestricted net position is used.

Fund Accounting: 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.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 Funds: 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:

1. General – accounts for all activities not required to be reported in another fund.

Fiduciary Funds: 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:

1. 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 judicial system to be held until judgment has been rendered in court litigation. Withdrawal of these funds can be made only upon order of the Court.

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.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of governmental and business-type activities are included in the statement of net position. 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.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 was one amendment made to the budget during the fiscal year ended June 30, 2017.

Cash and Cash Equivalents: Cash includes amounts in demand and interest bearing demand deposits. 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.

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 reported 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 – Employees receive ten (10) days vacation leave each year on the anniversary of their employment. If an employee terminates at the end of the year, the employee will be paid for unused vacation leave earned.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Sick leave – Employees receive ten (10) days sick leave each year. Sick leave is non-cumulative, but employees are paid for unused sick leave at the end of the year at their regular salary rate. Sick leave is not paid upon termination.

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.

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 position 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, these non-expendable net position are 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.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 are available for any purpose.

NOTE 2 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents (book balances) on hand are as follows:

	Governmental <u>Activities</u>	Fiduciary <u>Activities</u>
Petty Cash	204	
Interest Bearing		
Demand Deposits	289,180	204,478
LAMP, Inc.	180,196	651,613
Total	<u>469,580</u>	<u>856,091</u>

These deposits are stated at cost, which approximates market. Under state law, they 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. 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.

All deposits of the Clerk are covered by insurance (FDIC) or collateralized with securities that are held by and in the entity's name or registered in the entity's name. Even though the pledged securities are considered uncollateralized under the provision of GASB Statement 3, La R.S. 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.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

The Clerk has investments in a local government investment pool that is administered by a non-profit corporation, LAMP, Inc. This corporation was organized under the laws of the State of Louisiana, and its purpose is to provide a safe environment for the placement of public funds in short-term, high-quality investments. Investments in its portfolio is restricted to those issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its assigns in accordance with La. R.S. 33:2955.

The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. Because its design allows participants immediate access to their funds, the funds held in LAMP are considered cash equivalents. The investments held by LAMP are stated at fair value based on quoted market rates determined on a weekly basis. The value of the position in the external investment pool is the same as the value of the pool shares.

The following facts are relevant for money market-like investment pools:

Credit Risk. LAMP is rated AAAM by Standard & Poor's.

Custodial Credit Risk. Participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk. Pooled investments are excluded from the 5% disclosure requirements.

Interest Rate Risk. Money market-like investment pools are excluded from this disclosure requirements per paragraph 15 of GASB Statement No. 40.

Foreign Currency Risk. This type of risk is not applicable to money market-like pools.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and a board of directors. It is not registered with the SEC as an investment company. Administrative offices can be reached at 800-249-5267 for questions or additional information.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 – INVESTMENTS

Investments at June 30, 2017, which are fully insured, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Certificate of Deposit				
Feliciana Bank & Trust	50,000	50,000	8/12/2017	0.90%
Highlands Bank	245,344	245,344	9/9/2017	0.65%
Feliciana Bank & Trust	100,000	100,000	2/14/2018	0.55%
Feliciana Bank & Trust	200,000	200,000	2/14/2018	0.55%
Landmark Bank	90,000	90,000	3/10/2018	0.95%
Feliciana Bank & Trust	30,000	30,000	6/3/2018	1.00%
	<u>715,344</u>	<u>715,344</u>		

Of the amount reported, \$345,344 is held by governmental funds and \$370,000 is held by agency funds.

NOTE 4 – RECEIVABLES

The net receivables of the general fund, with the exception of inter-fund transactions, are as follows:

Accounts	\$ 11,546
Accrued interest	<u>981</u>
Total	<u>\$12,527</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity of governmental activities for the year ended June 30, 2017, was as follows:

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, being depreciated				
Equipment	75,666	-	-	75,666
Less: accumulated depreciation	62,310	1,269	-	63,579
Equipment, net	13,356	(1,269)	-	12,087
Furniture	87,064			87,064
Less: accumulated depreciation	86,584	354		86,939
Furniture, net	480	(354)	-	126
Net Capital Assets	13,836	(1,623)	-	12,213

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The payables of the general fund are as follows:

Class of Payable	General Fund	Fiduciary funds
Trade payables	1,670	-
Due to other governmental agencies	4,896	-
Payroll liabilities	20,492	-
Other payables	-	1,226,091
Total	27,057	1,226,091

NOTE 7 – INTER-GOVERNMENTAL TRANSACTIONS

Inter-governmental revenues of the general fund are as follows:

State supplement	\$ 22,800
La. Dept. of Elections	<u>4,747</u>
Total	<u>\$27,547</u>

NOTE 8 – ON-BEHALF PAYMENTS

Certain operating expenditures of the Clerk are paid by the East Feliciana Parish Jury and are not included in the accompanying financial statements.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9 – LEASES

Operating Leases. The Clerk had a lease for mailing equipment that was initially executed in August of 2004. There is also a lease on copier equipment. The amount paid for equipment rentals during the current year was \$4,608. There are no capital leases.

NOTE 10 – 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 the entire premium charged by the LCCA for retirees and 50% of the cost for dependents, and surviving spouses pay 100% For the fiscal year 2017, the clerk contributed \$13,163 and the retirees/surviving spouses contributed \$24,659.

Annual OPEB Cost and Net OPEB Obligation. The Clerk’s annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk’s annual OPEB costs, the amount actually contributed and changes in the Clerk’s net OPEB obligation to the Retiree Health Plan.

Annual required contribution	41,566
Interest on net OPEB obligation	6,082
Adjustment to annual required contribution	<u>(9,132)</u>
Annual OPEB cost (expense)	38,517
Contributions made	<u>(13,163)</u>
Increase in net OPEB obligation	25,354
Net OPEB obligation - beginning of year	<u>173,773</u>
Net OPEB obligation - end of year	<u><u>199,127</u></u>

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the year ended June 30, 2017, is as follows:

Year Ended	Discount Rate	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	3.50%	51,480	55.10%	106,985
6/30/2015	3.50%	53,141	53.30%	131,776
6/30/2016	3.50%	53,185	21.00%	173,773
6/30/2017	3.50%	38,517	34.17%	199,127

Funding Status and Funding Progress. As of June 30, 2017, the actuarial accrued liability for benefits was \$538,891, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$406,808 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 132%.

The projection of future benefit payments for an on-going plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funding status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive Plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2014, actuarial valuation, the unit credit cost method was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5.5% after 15 years. The Clerk's unfunded actuarial liability is being amortized on a level dollar, open basis over 30 years.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 – PENSION PLAN

Plan Description. Substantially all employees of the East Feliciana Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund, a cost-sharing, multiple-employer defined benefit pension plan, which was established in accordance with La. Revised Statute 11:1501 to provide regular, disability and survivor benefits for clerks of court, their deputies and other employees, and their beneficiaries.

Retirement Benefits. All regular employees who are under the age of 60 at the time of original employment are required to participate in the plan. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. Final average compensation for those hired prior to July 1, 2006, is based on the employee's highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those hired on or after that date, in accordance with Act 273 of the 2010 regular session, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last 6 years of measurement. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. Act 273 increased retirement age to age 60 with an accrual rate of 3% for those hired on or after January 2, 2011.

Disability Benefits. The plan also provides disability benefits, established by La. R.S. 11:218. Effective through June 30, 2008, a member who has been certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

- (1) A member who is totally and permanently disabled solely as a result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of ½ of his monthly average final compensation or, at the option of the disability retiree, 2 ½ percent of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$25 for each year of his credited service or 2/3rds of his monthly average final compensation, whichever is less.
- (2) A member who has 10 or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to 3% of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$35 for each year of credited service or 80% of his monthly average final compensation, whichever is less.

Effective for applications approved or payable on or after June 30, 2008, employees that have been officially certified as totally and permanently disabled pursuant to La. R.S. 11:218 and either (1) the disability was caused solely as a result of injuries sustained in the performance of his/her official duties; or (2) the employee has at least 10 years of service credit are eligible for disability benefits.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

The member shall be paid the greatest of 40% of their monthly average final compensation or 75% of their monthly regular retirement benefit computed pursuant to La. R.S. 11:1521(c).

For members leaving covered employment before attaining early retirement age but after completing 12 years of credited service become eligible for a deferred allowance provided he lives to the minimum service retirement age and does not withdraw his accumulated contributions.

Survivor Benefits. If a member who has less than 5 years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If a member has 5 or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately reduced $\frac{1}{4}$ of 1% for each month by which payments commence in advance of the member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan (DROP). In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in DROP for up to 36 months and defer the receipt of benefits. During the year ended June 30, 2016, participants had to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefit that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account.

Upon termination of employment at the end of the specified period of participation, a participant may receive, at his option, a lump sum payment. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from DROP equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal methods of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. In no event can the entire monthly benefit

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

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

Contributions: Contribution requirements are actuarially determined each year. For the year ending June 30, 2017, the Clerk's rate was 19% of annual covered payroll while the employees contributed 8.25%. Contributions to the Fund also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The Clerk of Clerk's contributions to the system for the years ending June 30, 2017, 2016 and 2015, were \$76,539, \$76,754, and \$75,011, respectively.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Contributions from non-employer contributing entities were \$46,629.

Pension Liabilities, Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions. At June 30, 2017, the Clerk reported a liability of \$822,369 for its proportionate share of the Fund's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Clerk's proportion at that date was .444530%.

Pension expense of \$147,933 was recognized for the year ended June 30, 2017. Deferred outflows and inflows of resources related to pensions were reported from the following sources:

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	8,392	27,991
Changes of assumptions	50,648	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	(1,959)	959
Net differences between projected and actual earnings on plan investments	141,886	-
Employer contributions subsequent to measurement date	102,231	-
Total	301,198	28,950

Deferred outflows of resources of \$102,231 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2018	51,906
2019	51,906
2020	62,884
2021	41,548
Total	208,243

Actuarial Methods and Assumptions

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

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

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

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

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 7.20% for the year ended June 30, 2016.

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

Discount Rate

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

Sensitivity to Changes in Discount Rate

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

1% decrease	6.00%	1,170,216
Current discount rate	7.00%	822,369
1% increase	8.00%	527,117

**EAST FELICIANA CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Payables to the Pension Plan

The Clerk of Court's payable to the LACRF at June 30, 2017 was \$8,436 as the required contribution owed for the 2nd quarter of the 2017 calendar.

Pension Plan Fiduciary Net Position

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

NOTE 12 – DEFERRED COMPENSATION PLAN

All of 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, 2017, the Clerk's matching funds totaled \$17,282.

NOTE 13 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 14 – LITIGATION

There is currently no pending or existing litigation on behalf of or against the Clerk.

NOTE 15 – SUBSEQUENT EVENTS

There were no events between the close of the year through December 27, 2017, the date on which the statements were available to be issued, that would materially impact these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues	\$ 26,200	\$ 26,200	29,744	\$ 3,544
Charges for services:				
Court costs and fees	349,500	349,500	470,879	121,379
Certified copies and data processing	59,500	59,500	69,002	9,502
Licenses	2,000	2,000	2,094	94
Recording fees	150,000	150,000	219,690	69,690
Grants	-	-	-	-
Interest earned	2,500	2,500	3,572	1,072
Other revenues	1,200	1,200	10,602	9,402
	<hr/>			
Total Revenues	590,900	590,900	805,585	214,685
<u>EXPENDITURES</u>				
General government	809,105	809,105	764,817	44,288
Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	809,105	809,105	764,817	44,288
Change in Fund Balances	(218,205)	(218,205)	40,768	170,397
Fund Balances, beginning	759,626	759,626	759,626	-
	<hr/>			
Fund Balances, ending	541,421	541,421	800,394	170,397
	<hr/>			

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2017**

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2009	-	3.50%	460,759	460,759	0.00%	206,250	223.40%
6/30/2012	-	3.50%	663,745	663,745	0.00%	388,746	170.74%
6/30/2015	-	3.50%	538,891	538,891	0.00%	406,807	132.47%

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2017**

<u>Year</u>	Employer's Proportion of the Net Pension <u>Liab (Asset)</u>	Employer's Proportionate Share of the Net Pension <u>Liab (Asset)</u>	Employer's Covered Employee <u>Payroll</u>	Employer's Proportionate Share of the Net Pension Liab (Asset) as a %age of its Covered <u>Employee Payroll</u>	Plan Fiduciary Net Pension as a %age of the Total Pension <u>Liability</u>
2017	0.44453%	\$ 822,369	\$ 406,808	202.15%	287.15%
2016	0.43649%	\$ 654,744	\$ 401,958	162.89%	357.20%
2015	0.43751%	\$ 641,125	\$ 397,470	161.30%	79.37%

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

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017**

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2017	\$76,359	\$76,359	\$0	\$406,808	18.77%
2016	\$89,905	\$76,754	\$13,151	\$401,958	19.10%
2015	\$68,597	\$75,011	(\$6,414)	\$397,470	18.87%

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

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON LOUISIANA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2017**

NOTE 1-BUDGETARY BASIS OF ACCOUNTING

The budgetary comparison schedule of the General Fund (referred to by the Clerk as the Salary Fund) has been presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America.

NOTE 2 -PENSION

Changes in Benefit Terms. There was no change of benefit terms during any of the years presented.

Changes of Assumptions. Amounts reported in fiscal year June 30, 2016, by the Louisiana Clerks' of Court Retirement and Relief Fund reflect no changes of benefit assumptions.

SUPPLEMENTAL INFORMATION

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

ASSETS

Cash and cash equivalents	\$ 1,226,091
	Total Assets
	<u>\$ 1,226,091</u>

NET POSITION

Held in trust for others	<u>\$ 1,226,091</u>
	Total Net Position
	<u>\$ 1,226,091</u>

See independent auditor's report.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017**

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
Additions			
Interest earned	420	741	1,161
Suits and successions	456,198	42,276	498,474
Total Additions	456,618	43,017	499,635
Deductions			-
Clerk of Court's costs	291,787	-	291,787
Interest paid	420	-	420
Recorder fees	19,467	-	19,467
Settlement to litigants	50,495	23,117	73,612
Attorney, curator and notary fees	14,294	-	14,294
Sheriff's fees	22,535	-	22,535
Judges/Parish	19,555	-	19,555
Other reductions	1,729	-	1,729
Total Deductions	420,280	23,117	443,397
Change in Net Position	36,338	19,900	56,238
Net Position, beginning of year	580,227	589,627	1,169,854
Net Position, end of year	616,565	609,527	1,226,091

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED JUNE 30, 2017**

Agency Head

David Dart
Clerk of Court

Purpose	Amount
Salary	\$ 102,948
Supplemental pay	22,800
Certificaton compensation	7,206
Elections/jury commission	1,800
Expense allowance	13,280
Benefits - retirement	39,823
Benefits - Medicare	1,928
Benefits - deferred compensation	9,000
Benefits - group insurance	15,343
Travel:	
Auto allowance	21,838
Meals	1,380
Lodging	2,131
Registration fees	1,175
Membership fees	200
Reimbursements for office expenses	<u>2,135</u>
Total Compensation, Benefits and Other Payments	<u><u>242,987</u></u>

See Independent Auditor's Report

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@franklinton.net

Member
AICPA

Member
LCPA

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

David Dart, Clerk of Court
East Feliciana Parish
P. O. Box 599
Clinton, Louisiana 70722

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities and each fiduciary fund of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 27, 2017.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the East Feliciana 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 East Feliciana Parish Clerk of Court's internal control. Accordingly, I do not express an opinion on the effectiveness of the East Feliciana 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the 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.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda B. Raybourn CPA
Franklinton, La
December 27, 2017

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017**

I have audited the financial statements of the East Feliciana Parish Clerk of Court as of and for the year ended June 30, 2017, and have issued my report thereon dated December 27, 2017. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2017, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Internal Control	Significant Deficiencies	<input type="checkbox"/> No
	Material weaknesses	<input type="checkbox"/> No
Compliance	Material to Financial Statements	<input type="checkbox"/> No

B. Federal Awards

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

Section IV Management Letter

None

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Compliance and Internal Control Material to Federal Awards

None

Section III Management Letter

N/A

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@franklinton.net

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

December 27, 2017

To the Honorable David Dart
East Feliciana Parish Clerk of Court
PO Box 599
Clinton, LA 70722
And Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

There were no exceptions noted as a result of applying this procedure.

- 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.

Written policies and procedures were obtained and addressed the functions noted above except for how vendors are added to the vendor list and the use of purchase requisitions and purchase orders.

Management's response: The Clerk of Court utilizes the Quickbooks software which does not limit how vendors are added. The Clerk of Court maintains the accounting and has the final approval of adding vendors to the software. The Clerk, as agency head, has the final approval of all purchases.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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

The Clerk of Court does not have written policies addressing contracts.

- 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, and (5) monitoring card usage

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

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

The Clerk does not have debt service and therefore, this attribute is not applicable.

Management's response: I will implement separate contracting procedures within the current fiscal policies and procedures.

Board (or Finance Committee, if applicable)

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

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

The Clerk of Court is elected and does not have a Board or Finance Committee..

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

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

The Clerk of Court does not have minutes.

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

The Clerk of Court does not have minutes.

Bank Reconciliations

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

A listing of client bank accounts and management's representation the listing is complete were obtained.

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

- a) Bank reconciliations have been prepared;

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

Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review were documented on the reconciliations.

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

Management has documentation and has reviewed items that have been outstanding for more than 6 months at the end of the fiscal year.

Collections

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

A listing of cash collection locations and management's representation that the listing is complete were obtained.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:

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

In the cash collection location selected, the person responsible for collecting cash is not responsible for depositing cash in the bank, recording transactions, or reconciling the bank account. The Clerk has a collection location and the cash drawer is shared with multiple employees. The person responsible for cash appears is bonded.

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

There is a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.

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

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

The highest (dollar) week of cash collections for the one collection location was obtained along with collection documentation, deposit slips, and bank statements. All collections were deposited by the next business day.

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

All collections were completely supported by documentation for the location tested.

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

In all locations, there is a process defined to determine the completeness of all collections by a person who is not responsible for collections.

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

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

A listing of disbursements and management's representation that the listing is complete were obtained.

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

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

The Clerk's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system.

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

The Clerk's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system.

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

The Clerk's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system.

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

The Clerk does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the Clerk's purchasing/disbursement system.

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

The Clerk does not have written documentation that prohibits the person with signatory authority or the person that makes the final authorization for disbursements from initiating or recording purchases.

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

Inquiry and observations of management indicated that unused check stock is maintained in a locked location.

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

The Clerk does not use signature stamps or a signature machine.

Management's response: The Clerk of Court does not feel that purchase orders are necessary. Once a verbal request is approved, the Chief Deputy will process the request as required by the current fiscal policies.

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

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

The clerk does not due use credit cards, debit cards, fuel cards, or P-cards.

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

The procedure is not applicable as the Clerk of Court does not use cards.

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

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

The procedure is not applicable as the Clerk of Court does not use cards

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

The procedure is not applicable as the Clerk of Court does not use cards.

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

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

The procedure is not applicable as the Clerk of Court does not use cards.

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

The procedure is not applicable as the Clerk of Court does not use cards.

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

The procedure is not applicable as the Clerk of Court does not use cards.

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

The procedure is not applicable as the Clerk of Court does not use cards.

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

The procedure is not applicable as the Clerk of Court does not use cards.

Travel and Expense Reimbursement

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

A listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.

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

The Clerk's written policies relating to travel and expense reimbursements was obtained. The policy reflects the usage of GSA rates.

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

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

There were no exceptions noted as a result of applying this procedure.

b) Report whether each expense is supported by:

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

Contracts

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

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

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

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

The Clerk of Court has one contract. There were no exceptions noted as a result of applying this procedure.

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

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

The contract was amended once. The scope was for one additional software license and one computer product for hosted application use. The monthly is for \$135. There were no exceptions noted as a result of applying this procedure. The original contract contemplated changes.

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

There were no exceptions noted as a result of applying this procedure.

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

The Clerk does not have a board.

Payroll and Personnel

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

A listing of employees with their related salaries and management's representation that the listing is complete were obtained. Five employees were randomly selected and their personnel files were obtained.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

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

All selected employees did have daily attendance and leave documented.

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

The selected employees did have written documentation but there was no supervisor signature on the leave slips.

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

The Clerk did maintain complete written documentation of leave records on the selected employees.

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

There were no employees terminated.

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

There were no exceptions noted as a result of applying this procedure.

Ethics (excluding nonprofits)

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

There were no exceptions noted as a result of applying this procedure.

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

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

Debt Service (excluding nonprofits)

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

No debt was issued during the fiscal period.

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

The Clerk does not have any outstanding debt.

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

The Clerk has no tax millages relating to debt service.

Other

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

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

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

The Clerk does have the required notices posted on its premises and website.

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

No exceptions were noted as a result of applying this procedure.

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

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



Franklinton, LA
December 27, 2017