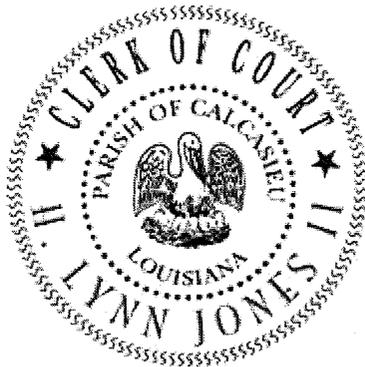


Calcasieu Parish Clerk of Court
Lake Charles, Louisiana
Financial Report
For the Year Ended June 30, 2019



CONTENTS

	Page
Independent Auditors' Report	3
Basic Financial Statements:	
Government-Wide Financial Statements (GWFS)	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements (FFS)	
Balance Sheet - Governmental Fund	11
Reconciliation of the Balance Sheet - Governmental Fund - to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes In Fund Balance - Governmental Fund	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund - to the Statement of Activities	14
Statement of Fiduciary Assets and Liabilities	15
Notes to the Financial Statements	17
Required Supplemental Information:	
Budgetary Comparison Schedule - General Fund	42
Schedule of Changes in the Clerk's Total OPEB Liability and related Ratios	43
Schedule of Employer's Proportionate Share of Net Pension Liability	44
Schedule of Employer's Contribution	45
Other Supplemental Information:	
Combining Statement of Fiduciary Assets and Liabilities	47
Combining Statement of Changes in Fiduciary Assets and Liabilities	48
Schedule of Compensation, Benefits and Other Payments to Agency Head	49
Compliance and Internal Control:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	50
Schedule of Findings and Questioned Costs	52



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN
PHILLIP D. ABSHIRE, III
NICHOLAS J. LANGLEY
ALEXIS H. O'NEAL

INDEPENDENT AUDITORS' REPORT

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Calcasieu Parish Clerk of Court, as of June 30, 2019, and the respective change 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 budgetary comparison information on page 42, Schedule of Changes in the Clerk's Total OPEB Liability and related Ratios on page 43, the Schedule of Employer's Proportionate Share of Net Pension Liability on page 44 and the Schedule of Employer's Contribution on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calcasieu Parish Clerk of Court's basic financials statements. The other supplementary information on pages 47 through 49 is presented for purposes of additional analysis and is not required part of the basic financial statements.

The combining statement of Fiduciary Assets and Liabilities, Combining Statement of Changes in Fiduciary Assets and Liabilities, and the Schedule of Compensation, Benefits and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining statement of Fiduciary Assets and Liabilities, Combining Statement of Changes in Fiduciary Assets and Liabilities, and the 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of the Calcasieu Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of law, regulations, contract, grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Calcasieu Parish Clerk of Court's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "J. J. Wilkerson, CPA".

Lake Charles, LA
December 19, 2019

BASIC FINANCIALS STATEMENTS

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

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 5,656,939
Receivables	261,173
Prepaid items	54,134
Capital assets, net	601,995
Total assets	6,574,241
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,897,308
OPEB related	929,295
Total assets and deferred outflows of resources	\$ 9,400,844
LIABILITIES	
Accounts payable and accrued liabilities	\$ 165,208
Due to fiduciary funds	20,724
Long-term liabilities:	
Due within one year	
Capital lease obligation	87,766
Compensated absences	52,009
Due after one year	
Compensated absences	255,289
Net pension liability	6,476,077
Net OPEB obligation	9,961,808
Total liabilities	17,018,881
DEFERRED INFLOWS OF RESOURCES	
Pension related	75,108
OPEB related	384,568
NET POSITION	
Invested in capital assets, net related debt	514,229
Unrestricted	(8,591,942)
Total net position (deficit)	(8,077,713)
Total liabilities, deferred inflows of resources and net position	\$ 9,400,844

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Activities:	Expenses	Program Revenue		Net (Expense) Revenues and Changes in Net Assets
		Fee and Charges for Service	Operating Grants	Governmental Activities
Governmental activities:				
Judicial	\$ 8,139,393	\$ 9,193,232	\$ -	\$ 1,053,839
		General revenues:		
				24,500
				59,737
				10,961
			Total general revenues	<u>95,198</u>
			Change in net position	1,149,037
			Net position (deficit) - beginning of year	<u>(9,226,750)</u>
			Net position (deficit) - end of year	<u><u>\$ (8,077,713)</u></u>

See accompanying notes and independent auditors' report.

FUND FINANCIAL STATEMENTS (FFS)

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2019

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 5,656,939
Receivables	261,173
Prepaid items	<u>54,134</u>
Total assets	<u><u>\$ 5,972,246</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 165,208
Due to agency funds	<u>20,724</u>
Total liabilities	185,932
FUND BALANCE	
Unassigned	<u>5,786,314</u>
Total liabilities and fund balance	<u><u>\$ 5,972,246</u></u>

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND -
TO THE STATEMENT OF NET POSITION

June 30, 2019

Total fund balance for governmental funds at June 30, 2019 \$ 5,786,314

Total net position reported for governmental activities in the Statement of Net Position is different due to the following:

Certain long-term assets are not reported in the fund financial statements because they are not available to pay current-period expenditures, but they are reported as assets in the statement of net position. Those assets consist of:

Deferred outflows - pension related	\$ 1,897,308	
Deferred outflows - OPEB related	<u>929,295</u>	
		2,826,603

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Capital assets, net of \$1,944,683 accumulated depreciation	601,995
---	---------

Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:

Long term note payable	\$ (87,766)	
Compensated absences payable	(307,298)	
Net OPEB Obligation payable	(9,961,808)	
Net pension liability	(6,476,077)	
Deferred inflows- OPEB related	(384,568)	
Deferred inflows- pension related	<u>(75,108)</u>	
		<u>(17,292,625)</u>

Total net position of governmental activities at June 30, 2019	<u><u>\$ (8,077,713)</u></u>
--	------------------------------

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended June 30, 2019

	<u>General Fund</u>
REVENUES	
Fees and charges for services:	
Fees for recording legal documents	\$ 3,780,675
Fees for certified copies of documents	449,092
Court costs, fees, and charges	4,465,867
Remote internet access	165,392
Passports	126,290
Mortgage certificates	28,976
Birth certificates	137,444
Licenses and permits	39,496
	<u>9,193,232</u>
Clerk's supplemental compensation	24,500
Miscellaneous income	59,737
Interest	10,961
Total revenues	<u>9,288,430</u>
EXPENDITURES	
Current:	
Judicial:	
Personnel services	4,249,157
Employee benefits	2,395,940
Operating services	994,885
Travel and professional development	28,444
Supplies	241,865
Other expenses	6,270
Capital outlay	138,961
Debt services	73,163
Total expenditures	<u>8,128,685</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,159,745
OTHER FINANCING SERVICES	
Long-term debt issued	<u>51,896</u>
NET CHANGE IN FUND BALANCE	1,211,641
FUND BALANCE AT BEGINNING OF YEAR	<u>4,574,673</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 5,786,314</u></u>

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND -
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

Total net changes in fund balances at June 30, 2019 per Statement of Revenues,
Expenditures and Changes in Fund Balance \$ 1,211,641

The change in net position reported for governmental activities in the
Statement of Activities is different due to the following:

Revenues that are not available to pay current obligations are not reported
in the fund financial statements, but they are presented as revenues in the
statement of activities.

Non-employer contributions to cost-sharing pension plan 427,085

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

Capital outlay which is considered expenditures on the Statement
of Revenues, Expenditures and Changes in Fund Balance 138,961
Depreciation expense for the year ended June 30, 2019 (67,084)
71,877

Government funds do not report changes in long term liabilities as
expenditures. However, the following changes in long-term liabilities do
appear in the Statement of Activities since the liabilities are reported on the
Statement of Net Position

Increase in capital lease (51,896)
Repayment of capital lease 73,163
Decrease in compensated absences 215,216
Increase in other post retirement benefits (247,409)
Pension contribution subsequent to the measurement date 724,675
Pension expense (1,275,315)
(561,566)

Total changes in net position at June 30, 2019 per Statement of Activities \$ 1,149,037

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2019

ASSETS

Cash and cash equivalents	\$ 11,781,924
Due from general fund	<u>20,754</u>
Total assets	<u><u>\$ 11,802,678</u></u>

LIABILITIES

Due to others	<u>\$ 11,802,678</u>
Total liabilities	<u><u>\$ 11,802,678</u></u>

See accompanying notes and independent auditors' report.

NOTES TO THE FINANCIAL STATEMENTS

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

These financial statements present the Calcasieu Parish Clerk of Court (“Clerk of Court”) as the primary government. As defined by the governmental accounting standards board (“GASB”), GASB No. 14, component units are legally separate entities that are included in the reporting entity because of the significance of their operating or financial relationships. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Clerk of Court is legally separate and fiscally independent, the Clerk of Court is a separate governmental reporting entity. The Calcasieu Parish Police Jury (“Police Jury”) maintains and operates the parish courthouse in which the Clerk of Court’s office is located. These transactions between the Clerk of Court and the Police Jury are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

As an independent elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

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

Government - Wide Financial Statements (“GWFS”)

The Statement of Net Position and the Statement of Activities display information about the Clerk of Court as a whole. They include all funds of the Clerk of Court, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

B. BASIS OF PRESENTATION - (continued)

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

Fund Financial Statements ("FFS")

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund is at least ten percent of the corresponding total for all funds of that category or type.

The Clerk of Court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the Clerk of Court are described as follows:

Governmental Fund Types

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

Fiduciary Fund Type - Agency Funds

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

The Advanced Deposit, Registry of Court, Adoptions and Battered Women agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (“FFS”)

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Clerk of Court’s operations.

The amounts reflected in the governmental fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recorded in the period in which they are earned.

Expenditures

Expenditures are recorded in the period in which the goods and services are received.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

Government-Wide Financial Statements (“GWFS”)

The government-wide financial statements are accounted for using an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. BUDGET PRACTICES

The Clerk of Court uses the following mandated requirements for budget practices:

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

E. CASH AND INTEREST-BEARING DEPOSITS

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

F. BAD DEBTS

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with GAAP, the departure was not considered to be material at June 30, 2019.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method as follows:

Furniture and equipment for 3 to 10 years
Legal document library costs for 40 years

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

H. COMPENSATED ABSENCES

The Clerk of Court has the following policy relating to deferred compensation (“comp”) time, vacation and sick leave:

All full time employees of the Clerk of Court’s office earn vacation leave at a rate of 2 to 5 weeks each year, depending upon their length of service. Vacation must be used in the year after it is earned. Sick leave is earned at a rate of one to one and one-half days per month, depending upon length of service. Sick leave may be carried forward from year to year. When employees retire they receive a maximum of thirty days of compensation for sick days.

The Clerk of Court also offers employees the option of pay for overtime worked or deferred comp time which can be taken at a later date. Employees can begin accruing deferred comp time on January 1st of each year thru June 30th. The deferred comp time cannot be carried from one calendar year to the next and must be taken by August 31st each year. Deferred comp time earned between hours 35-40 is earned at regular deferred comp time. After 40 hours deferred comp time is earned as time and one-half. No more than 70 hours can be accrued as deferred comp time in a calendar year per employee.

The cost of leave privileges is recognized as current year expenditure in the general fund when the leave is actually taken. The cost of leave privileges not requiring current resources is reflected in the government-wide financial statements. At June 30, 2019, employees of the Clerk of Court’s office have accumulated \$307,298 in leave privileges; \$52,009 in current liabilities and \$255,289 in long-term liabilities.

I. LONG-TERM LIABILITIES

All long-term liabilities to be repaid from governmental resources is reported as liabilities in the governmental-wide statements. The long-term liabilities consist of capital lease obligations, compensated absences payable, pension liability and other post-retirement benefits.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delay recognition of expenditures or revenues, respectively. At June 30, 2019, the Clerk of Court deferred inflows and outflows of resources are attributable to its pension plan and OPEB plan.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

K. EQUITY CLASSIFICATIONS

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

1. Investment in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - This amount has constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

L. FUND EQUITY

Accounting standards required governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because constraints that externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Clerk of Court. The Clerk of Court is the highest level of decision-making authority for the Clerk of Court's Office. Commitments may be established, modified, or rescinded only through resolutions approved by the Clerk of Court.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Clerk of Court's adopted policy, only he may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

L. FUND EQUITY – (continued)

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

M. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

N. ESTIMATES

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

O. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In June 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 87, “*Leases*.” The objective of this Statement is to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of GASB No. 87 must be implemented by the Clerk of Court for periods beginning after December 15, 2019, with earlier application encouraged. The effect of implementation of the statement of the Clerk of Court’s financial statements has not yet been determined.

In January 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 84, “*Fiduciary Activities*.” GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASBS No. 84 replaces agency funds with custodial funds, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the Clerk of Court for periods beginning after December 15, 2018, with earlier application encouraged. The effect of implementation of this statement on the Clerk of Court’s financial statements has not yet been determined.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

2. CASH AND INTEREST-BEARING DEPOSITS

At June 30, 2019, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$17,438,863 as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Demand deposits	\$ 4,552,525	\$ 11,381,924	\$ 15,934,449
Saving deposits	302,901	-	302,901
Time deposits	795,429	400,000	1,195,429
Cash on hand	6,084	-	6,084
	<u>\$ 5,656,939</u>	<u>\$ 11,781,924</u>	<u>\$ 17,438,863</u>

These deposits are stated at cost, which approximates fair value. Custodial credit risk is the risk that the event of a bank failure, the Clerk of Court's deposits may not be returned. The Clerk of Court does not have a policy for custodial credit risk, however, under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair 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. The following is a summary of deposit balances (bank balances) at June 30, 2019, and the related federal insurance pledge securities:

Bank balances	<u>\$ 18,087,602</u>
Federal insurance	<u>\$ 750,000</u>
Pledged securities	<u>17,737,642</u>
Total federal insurance and pledged securities	<u>\$ 18,487,642</u>

Even though the pledge securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39.1229 impose 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.

As of June 30, 2019, the Clerk of Court's total bank balances were fully insured and collateralized with securities held in the name of the Clerk of Court by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

As a means of limiting the Clerk of Court's exposure to fair value losses arising from rising interest rates, the certificates of deposits have maturities of one year or less.

The Clerk of Court's certificates of deposit comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Clerk of Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

3. RECEIVABLES

The receivables balance as of June 30, 2019 was \$261,173, which consists of charges for services.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental Activities:				
Furniture and equipment	\$ 2,158,969	\$ 138,961	\$ (207,110)	\$ 2,090,820
Legal document library	455,858	-	-	455,858
	<u>2,614,827</u>	<u>138,961</u>	<u>(207,110)</u>	<u>2,546,678</u>
Less accumulated depreciation				
Furniture and equipment	1,976,746	55,321	(207,110)	1,824,957
Legal document library	107,963	11,763	-	119,726
	<u>2,084,709</u>	<u>67,084</u>	<u>(207,110)</u>	<u>1,944,683</u>
Capital assets, net	<u>\$ 530,118</u>	<u>\$ 71,877</u>	<u>\$ -</u>	<u>\$ 601,995</u>

Depreciation expense of \$67,084 was charged to the general government function.

5. CAPITAL LEASE COMMITMENT

The Clerk of Court has entered into a capital lease agreement under which they have financed the data center infrastructure upgrade project and the purchase of computers.

	Stated Interest Rate	Present Value of Remaining Payments as of June 30, 2019
Governmental fund activities:		
Data center infrastructure upgrade project	8.0%	\$ 56,467
Computers	4.0%	31,299
Total capital lease obligations		<u>\$ 87,766</u>

Capital assets and related accumulated depreciation under capital lease are as follows:

Data center infrastructure upgrade project	\$ 162,107
Computers	50,461
Less: accumulated depreciation	<u>(60,764)</u>
Net book value	<u>\$ 151,804</u>

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

5. CAPITAL LEASE COMMITMENT – (continued)

As of June 30, 2019, capital lease annual amortization is as follows:

		Year ending June 30:
	2020	\$ 89,958
Total requirements		89,958
Less interest		2,192
Present value of remaining payments		\$ 87,766

Amortization of financed capital project under capital assets is included in depreciation expense.

6. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2019 is as follows.

	Balance, July 1, 2018	Additions	Reductions	Balance, June 30, 2019	Due within One Year
Governmental activities:					
Capital lease obligation	\$ 110,468	\$ 50,461	\$ (73,163)	\$ 87,766	\$ 87,766
Compensated absences	521,079	422,853	(636,634)	307,298	52,009
Net OPEB	9,145,645	1,175,269	(359,106)	9,961,808	-
Net pension liability	5,714,214	1,876,632	(1,114,769)	6,476,077	-
	\$15,491,406	\$ 3,525,215	\$ (2,183,672)	\$16,832,949	\$ 139,775

7. PENSION PLAN

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225)293-1162.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Summary of significant accounting policies:

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) prepared its employer schedules in accordance with Governmental Accounting Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of accounting:

The Fund's employer pension schedules are prepared using 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. The members' earnable compensation is attributed to the employer for which the member is employed as of June 30, 2018.

Plan fiduciary net position:

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Pension amount netting:

The deferred outflows and deferred inflows of resources attributable to differences between projected and actual earnings on pension plan investments recorded in different years are netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows are not presented on a net basis.

Plan description:

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Insurance Fund, and the

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Plan description: - (continued)

employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Retirement benefits:

A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 65 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3½% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability benefits:

Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of forty percent of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521 (C).

Survivor benefits:

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Survivor benefits: - (continued)

deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $\frac{1}{4}$ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred retirement option plan:

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to 36 months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the DROP account equal to the payments to the account or a true annuity based upon his account (subject to approval by the Board of Trustees). In addition, the member receives the monthly benefits that were paid into the DROP fund during his period of participation.

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. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. The interest earnings are based on the actual rate of return on funds in such accounts. These interest accruals cease upon termination of employment.

Upon termination, the member receives a lump sum payments from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, 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. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate his original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Deferred retirement option plan: - (continued)

used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost-of-living adjustments (COLA):

The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, Louisiana statutes allow the Board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

Employer contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 19%.

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue in the amount of \$427,085 for the year ended June 30, 2019 and are excluded from pension expense.

Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 19.00% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk of Court's contributions to the System for the years ended June 30, 2019 and 2018 were \$1,104,251 and \$972,242, respectively, equal to the required contributions for each year.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2019, the Clerk of Court reported a liability of \$6,476,077 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Clerk of Court's proportion was 3.893510%, which was an increase of 0.116601% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Clerk of Court recognized pension expense of \$1,275,315, less employer's amortization of changes in the proportionate share and differences between the employer contributions and the proportionate share of contributions in the amount of \$8,913. The Clerk of Court recognized revenue of \$427,085 as its proportionate share of non-employer.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual	\$ 171,868	\$ 63,976
Change of assumptions	672,843	-
Net difference between projected and actual earnings on pension plan investment	123,617	-
Change in proportion and differences between employer contributions and proportionate share of contribution	204,305	11,132
Employer contributions subsequent to the measurement date	724,675	-
Total	<u>\$ 1,897,308</u>	<u>\$ 75,108</u>

The Clerk of Court reported a total of \$724,6750 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018, which will be recognized as a reduction in net pension liability in the year ended June 30, 2019.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: - (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending June 30,

2020	\$	566,249
2021		336,516
2022		(2,817)
2023		196,340
	<u>\$</u>	<u>1,096,288</u>

Actuarial assumptions:

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

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of investment expense,
Projected salary increases	5.00%
Inflation Rate	2.5%
Mortality	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females
Expected Remaining Service Lives	2018 – 5 years 2017 – 5 years 2016 – 5 years 2015 – 5 years 2014 – 5 years

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Actuarial assumptions: - (continued)

Cost of Living Adjustments

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

The actuarial assumptions used are based on the assumptions used in the 2018 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 through June 30, 2014, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with two 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 7.10%, for the year ended June 30, 2018.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Actuarial assumptions: - (continued)

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

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

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement System's Actuarial Committee (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.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

7. PENSION PLAN – (continued)

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate as of June 30, 2019:

	Changes in Discount Rate:		
	1%	Current	1%
	Decrease	Discount	Increase
	5.75%	Rate	7.75%
	5.75%	6.75%	7.75%
Employer's proportionate share of net pension liability	\$ 9,900,482	\$ 6,476,077	\$ 3,637,547

8. OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

Benefits provided: The Clerk provides medical, dental, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of pre-Medicare health Option 1, Medicare Supplement premium and retiree life insurance and 100% less \$100 of pre-Medicare health Option 2 for retirees. The plan also provides for payment of 50% of pre-Medicare and Medicare Supplement premiums for dependents. Dental is voluntary and 100% paid by the retiree. Surviving spouses are required to pay 100% of the premiums.

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

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS – (continued)

Inactive employees currently receiving benefit payments	46
Active employees	108
Total	154

Total OPEB Liability

The Clerk’s total OPEB liability of \$9,961,808 was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2018.

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

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.13%
Health Care Cost Trend Rates	
Medical:	-4.76% in first year, then 6.75%, decreasing 0.25% per year to an ultimate rate of 5.0%
Medicare Supplement	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging.
Dental	0.69% for 2019, 3.25% for 2020, decreasing 0.25% per year to an ultimate rate of 3.0% for 2021 and later years.
Vision:	-9.98% for 2019, then 3.0% per year
Retirees’ Share of Benefit-Related Costs	
Medical:	0% for Option 1 or \$100 for Option 2 for retirees 50% for dependents.
Medicare Supplement:	0% for retirees and 50% for dependents.
Dental:	100% for retirees and 100% for dependents.
Vision:	100% for retirees and 100% for dependents.
Basic Life Insurance:	0%

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

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

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS – (continued)

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

Changes in Total OPEB

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 9,145,645
Changes for the year:	
Service cost	\$ 249,202
Interest	288,439
Differences between expected and actual experience	(424,424)
Changes in assumptions/inputs	1,062,052
Change in benefit terms	-
Benefit payments	(359,106)
Administrative expense	-
Net changes	816,163
Balance at June 30, 2019	\$ 9,961,808

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

	1% Decrease 2.31%	Discount Rate 3.31%	1% Increase 4.31%
Total OPEB Liability	\$ 11,517,710	\$ 9,961,808	\$ 8,665,244

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 8,485,869	\$ 9,961,808	\$ 11,827,369

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS – (continued)

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

For the year ended June 30, 2019, the Clerk recognized an OPEB expense of \$614,838. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ -	\$ 384,568
Changes of assumptions or other inputs	929,295	-
Total	\$ 929,295	\$ 384,568

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

For the year ending June 30,

2020	\$ 76,271
2021	76,271
2022	76,271
2023	76,271
2024	76,271
Thereafter	155,974
	\$ 537,329

9. DEFERRED COMPENSATION PLAN

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 50% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$151,987 for the year ended June 30, 2019.

In accordance, with GASB Statement No. 32, plan balances and activities are not reflected in the Clerk of Court's financial statements. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

10. RISK MANAGEMENT

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

11. CHANGES IN AGENCY FUND BALANCES

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

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds				
Advance deposit	\$ 7,253,645	\$ 7,224,330	\$ 7,044,923	\$ 7,433,052
Registry of court	3,965,276	827,594	560,612	4,232,258
Other fiduciary funds	124,805	78,776	66,213	137,368
Totals	<u>\$ 11,343,726</u>	<u>\$ 8,130,700</u>	<u>\$ 7,671,748</u>	<u>\$ 11,802,678</u>

12. EXPENDITURES PAID BY OR TO THE CALCASIEU PARISH POLICE JURY

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

Expenditures related to judge's secretary fees and telephone expenses totaling \$82,264 were paid to the Police Jury for the year ended June 30, 2019.

13. CONTINGENCIES AND COMMITMENTS

At year end, the Clerk of Court had no commitments outstanding.

14. LITIGATION AND CLAIMS

The Clerk of Court's office is not involved in any material matters of pending or threatened litigation as of the date of the independent auditors' report.

**Calcasieu Parish Clerk of Court
Lake Charles, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

15. OPERATING LEASE COMMITMENT

The Clerk of Court is currently leasing a warehouse building and equipment, which are considered operating leases. The lease terms range from 36 to 60 months. Total rent expense under these leases for the year ended June 30, 2019 was \$98,883. The future minimum operating lease commitments are as follows:

Year Ending June 30,	
2020	\$ 42,678
2021	23,656
2022	9,290
2023	2,330
Total	<u>\$ 77,954</u>

16. SUBSEQUENT EVENTS

Management is not aware of any subsequent events through the date of the independent auditors' report, which is the date the financials were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2019.

REQUIRED SUPPLEMENTAL INFORMATION

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended June 30, 2019

	GENERAL FUND			
	BUDGET		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fees and charges for services:				
Fees for recording legal documents	\$ 3,811,000	\$ 3,825,540	\$ 3,780,675	\$ (44,865)
Fees for certified copies of documents	454,000	448,916	449,092	176
Court costs, fees, and charges	4,227,000	4,508,620	4,465,867	(42,753)
Remote internet access	165,000	164,609	165,392	783
Passports	127,000	126,374	126,290	(84)
Mortgage certificates	26,000	28,910	28,976	66
Birth Certificates	144,000	137,700	137,444	(256)
Licenses and permits	54,000	39,252	39,496	244
Clerk's supplemental compensation	23,000	24,491	24,500	9
Miscellaneous income	60,000	57,306	59,737	2,431
Interest	6,000	11,841	10,961	(880)
Total revenues	<u>9,097,000</u>	<u>9,373,559</u>	<u>9,288,430</u>	<u>(85,129)</u>
EXPENDITURES				
General Government-Judicial				
Personal services	3,844,000	4,317,144	4,249,157	67,987
Employee benefits	2,142,000	2,416,614	2,395,940	20,674
Operating services	1,495,000	1,077,747	994,885	82,862
Travel and professional development	18,000	28,402	28,444	(42)
Supplies	261,000	286,950	241,865	45,085
Other expenses	-	-	6,270	(6,270)
Capital outlay	303,000	90,487	138,961	(48,474)
Debt services	-	-	73,163	(73,163)
Total expenditures	<u>8,063,000</u>	<u>8,217,344</u>	<u>8,128,685</u>	<u>88,659</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,034,000	1,156,215	1,159,745	\$ 3,530
OTHER FINANCING SERVICES				
Long-term debt issued	-	-	51,896	51,896
NET CHANGE IN FUND BALANCE	1,034,000	1,156,215	1,211,641	55,426
FUND BALANCE AT BEGINNING OF YEAR OF YEAR	<u>4,172,521</u>	<u>4,574,673</u>	<u>4,574,673</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,206,521</u>	<u>\$ 5,730,888</u>	<u>\$ 5,786,314</u>	<u>\$ 55,426</u>

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

SCHEDULE OF CHANGES IN THE CLERK'S TOTAL OPEB LIABILITY AND RELATED RATIOS

For the Year Ended June 30, 2019

	2019	2018
Total OPEB Liability		
Service cost	\$ 249,202	\$ 242,857
Interest	288,439	326,107
Change in benefit terms	-	-
Differences between expected and actual experience	(416,101)	(27,460)
Change in assumptions or other inputs	1,062,052	-
Benefit payments	(367,429)	(322,941)
Net Change in Total OPEB Liability	816,163	218,563
Total OPEB Liability - beginning	9,145,645	8,927,082
Total OPEB Liability - end	\$ 9,961,808	\$ 9,145,645
 Covered employee payroll	 \$ 3,728,444	 \$ 3,611,083
 Total OPEB Liability as a percentage of covered employee payroll	 267.2%	 253.3%

Notes to Schedule:

Changes of benefit terms: None

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

2018	3.62%
2019	3.13%

Mortality Rates

2018	Rph-2014 Employee and Healthy Annuity, Generational with MP-2018
2019	PubG.H-2010 Employee and Healthy Annuity, Generational with MP-2018.

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2019

Year Ended	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered employee payroll	Share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2016	3.63505%	\$ 4,903,196	\$ 2,997,852	163.56%	79.37%
June 30, 2017	3.75697%	\$ 5,635,566	\$ 2,997,852	187.99%	78.13%
June 30, 2018	3.74199%	\$ 6,922,579	\$ 3,618,630	191.30%	74.17%
June 30, 2019	3.89351%	\$ 6,476,077	\$ 3,814,076	169.79%	79.07%

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

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

SCHEDULE OF THE EMPLOYER'S CONTRIBUTION
For the Year Ended June 30, 2019

<u>Year Ended</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to contractual required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Employer's covered employee payroll</u>	<u>Contributions as a % of covered employee payroll</u>
June 30, 2016	569,592	649,585	(79,993)	2,997,852	19.00000%
June 30, 2017	605,321	645,370	(40,049)	3,185,900	19.00000%
June 30, 2018	647,715	687,540	(39,825)	3,618,630	19.00000%
June 30, 2019	686,853	724,674	(37,821)	3,814,076	19.00000%

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

See accompanying notes and independent auditors' report.

OTHER SUPPLEMENTAL INFORMATION

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2019

	Advance Deposit Fund	Registry of Court Fund	Other Fiduciary Funds	Total
ASSETS				
Cash and cash equivalents	\$ 7,426,398	\$ 4,232,258	\$ 123,268	\$ 11,781,924
Due from general fund	6,654	-	14,100	20,754
 Total assets	 <u>\$ 7,433,052</u>	 <u>\$ 4,232,258</u>	 <u>\$ 137,368</u>	 <u>\$ 11,802,678</u>
LIABILITIES				
Due to others	7,433,052	4,232,258	137,368	11,802,678
 Total liabilities	 <u>\$ 7,433,052</u>	 <u>\$ 4,232,258</u>	 <u>\$ 137,368</u>	 <u>\$ 11,802,678</u>

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

For the Year Ended June 30, 2019

	Advance Deposit Fund	Registry of Court Fund	Other Fiduciary Funds	Total
ADDITIONS				
Deposits:				
Suits and successions	\$ 7,223,138	\$ -	\$ 78,741	\$ 7,301,879
Judgments	-	825,631	-	825,631
Interest	1,192	1,963	35	3,190
Total additions	7,224,330	827,594	78,776	8,130,700
DEDUCTIONS				
Distributed to litigants	1,312,462	560,612	-	1,873,074
Clerk's costs	4,173,054	-	23,555	4,196,609
Sheriff's fees	761,445	-	9,425	770,870
Women's shelter fees	-	-	9,449	9,449
Other deductions	797,962	-	23,784	821,746
Total deductions	7,044,923	560,612	66,213	7,671,748
NET CHANGE	179,407	266,982	12,563	458,952
Balances at beginning of year	7,253,645	3,965,276	124,805	11,343,726
Balances at end of year	<u>\$ 7,433,052</u>	<u>\$ 4,232,258</u>	<u>\$ 137,368</u>	<u>\$ 11,802,678</u>

See accompanying notes and independent auditors' report.

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended June 30, 2019

Agency Head Name: Lynn Jones

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,768
Benefits-insurance	10,894
Benefits-retirement	47,897
Benefits- deferred compensation	7,200
Benefits- election custodian	2,400
Car allowance	23,904
Communication/ Technology	1,345
Per diem	1,400
Registration fees	500
	<u>\$ 271,308</u>

See accompanying notes and independent auditors' report.



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN
PHILLIP D. ABSHIRE, III
NICHOLAS J. LANGLEY
ALEXIS H. O'NEAL

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

To the Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Calcasieu Parish Clerk of Court, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Calcasieu Parish Clerk of Court's basic financial statements, and have issued our report thereon dated December 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Calcasieu Parish Clerk of Court's internal control over financial reporting 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 Calcasieu Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Calcasieu Parish Clerk of Court's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 Calcasieu Parish Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Joyly Williams, CPA, FSA

Lake Charles, Louisiana

December 19, 2019

**CALCASIEU PARISH CLERK OF COURT
Lake Charles, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019**

1. Summary of Audit Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiency identified not considered to be material weaknesses? None noted

Noncompliance material to financial statements noted? No

2. Findings relating to the financial statements which are required to be reported in accordance with Governmental Auditing Standards for fiscal year ended June 30, 2019.

There were no findings identified during the fiscal year ended June 30, 2019.

3. Findings relating to the financial statements which are required to be reported in accordance with Governmental Auditing Standards for fiscal year ended June 30, 2018.

There were no findings identified during the fiscal year ended June 30, 2018.



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN
PHILLIP D. ABSHIRE, III
NICHOLAS J. LANGLEY
ALEXIS H. O'NEAL

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Calcasieu Parish Clerk of Court
Lake Charles, Louisiana

We have performed the procedures enumerated below, which were agreed to by Calcasieu Parish Clerk of Court ("CPCC") 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 from July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
No exceptions noted.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Exception: Policy does not address how vendors are added to the vendor list.
 - c) ***Disbursements***, including processing, reviewing, and approving.
No exceptions noted.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility

billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted.

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

No exceptions noted.

- 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.

Exception: Policy does not specifically address the legal review process.

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

No exceptions noted.

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

No exceptions noted.

- 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.

Exception: Policy does not specifically address the requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Although it was noted that the process is in place to have all employees, including the elected official, annually attest through signature verification that they have read the entity's ethics policy.

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

Not applicable, there were no debt services during the year ended June 30, 2019.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exception: There is no written Disaster Recovery/Business Continuity policy.

Management's response: The written policies and procedures will be updated to include the items noted above.

Board or Finance Committee

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

The clerk is an elected official. No monthly meetings, as such this procedure is not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

We obtained a list of bank accounts from management and management's representation that the list was complete. Once obtained, we selected the month of November 2018 for testing for five accounts.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Obtained bank statements and reconciliations for selected accounts in the fiscal period noting that reconciliations have been prepared. The main operating and advanced deposit accounts showed evidence of preparation within two months of the related statement closing.

Exception: The other selected reconciliations did not show evidence of preparation (initialed and dated) within two months.

Management's response: CPCC follows a process which includes a third party consultant to reconcile the bank statements during the first two weeks of the subsequent month. They will request the third party to initial and date the reconciliations.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

In reviewing the reconciliations, we found that a member of management who does not handle cash, post ledgers, or issue checks has reviewed the main operating account.

Exception: The other selected reconciliations did not show evidence of review; however, these reconciliations are prepared by a third party accounting consultant.

Management's response: CPCC follows a process which includes a third party consultant to reconcile the bank statements.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: For three of the five reconciliations reviewed, there was no evidence that reconciling items that have been outstanding for more than twelve months from the statement closing date were reviewed.

Management's response: Although the processes/procedures mentioned above are performed on a monthly basis there is a lack of documentation of the performed activities. Management believes that there are adequate compensating control activities over these transactions and the reconciliation of the bank accounts.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

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

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

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

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

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

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

Exception: Employees who have access to cash are not covered by a bond or insurance policy for theft.

Management's response: All employees who have access to cash are required to account for all daily transactions. Supervisors review transactions before remitting money to the budget office. Electronic trail of all transactions is available. The budget office reviews all collections before making the final daily deposit. Camera surveillance of all cash collection locations is monitored by management. For these reasons stated, the CPCC does not believe a bond or insurance policy for theft is necessary.

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

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

Exception: There are no numerical receipts issued for 3 of the 5 collection sites.

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

Exception: There is no numerical receipts or system generated reports for 3 of the 5 collection sites.

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

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

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Exception: There is no documentation for 3 of the 5 accounts that evidences the date the collection was received.

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

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

Management's response: Adoption Account: The payments are currently tracked by written ledger. Management is exploring methods that would be compliant with adoption security requirements. Battered Women's Account: One payment per year is made to Battered Women's account based on the income generated by court costs, and tracked in the CMS system. Registry Accounts: Monies received and paid out are recorded on the hard copy of the original signed order as well as the deposit book. These are reconciled electronically by an outside third-party consultant. Management believes that these procedures are adequate.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Per discussion with management, all payments are processed in either the Budget Office or the Bookkeeping department.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

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

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

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

Exception: An employee who processes payments also has access to add/modify vendor files.

Management's response: The CPCC has control activities over the approval of payment for purchases. These controls include the review of all payments by management who do not have access to process payments.

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

Exception: An employee who processes payments also mails signed checks.

Management's response: The CPCC has control activities over the approval of payment for purchases. These controls include the detailed review of the bank reconciliations for the Budget Office (main operating account) and a third party consultant who prepared the bank reconciliation for the Bookkeeping department and the other accounts out of the Budget Office.

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

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

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

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

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

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

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

Obtained a listing of all active credit cards and management's representation that the listing is complete.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

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

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

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

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

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

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

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

Contracts

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

Payroll and Personnel

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

Ethics

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

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

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

Exception: The CPCC policy does not require employees to attest through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Management's response: The CPCC has other control activities over ethics including the annual training performed by all employees as well as when hired all employees are required to read and sign the acknowledgment form of the ethics policy. Also, management had each employee sign an acknowledgment form for the updated 2018 Handbook (which includes the ethics policy) during the spring of 2018.

Debt Service

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

Not applicable.

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

Not applicable.

Other

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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

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

Jaylynn Williams, CPA, #882

Lake Charles, Louisiana
December 19, 2019