

**RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana**

**Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2019  
With Supplemental Information Schedules**

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
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With Supplemental Information Schedules

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## **Independent Auditor's Report**

**RED RIVER PARISH CLERK OF COURT**  
Coushatta, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the major fund and fiduciary funds of the Red River Parish Clerk of Court, a component unit of the Red River Parish Police Jury, as of June 30, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Red River Parish Clerk of Court'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 Red River Parish Clerk of Court's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the major fund information and fiduciary fund information of the Red River Parish Clerk of Court as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

RED RIVER PARISH CLERK OF COURT

Coushatta, Louisiana  
Independent Auditor's Report,  
June 30, 2019

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Red River Parish Clerk of Court's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 41 is presented for the purpose of additional analysis and is not a required part of the financial statements.

This schedule is the responsibility of management and was 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 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 my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

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

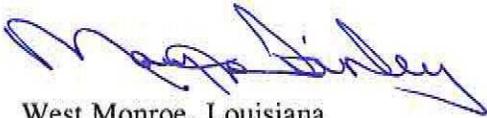
In accordance with *Government Auditing Standards*, I have also issued a report dated December 26, 2019, on my consideration of the Red River Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Red River Parish Clerk of Court's internal control over financial reporting and compliance.

RED RIVER PARISH CLERK OF COURT

Coushatta, Louisiana  
Independent Auditor's Report,  
June 30, 2019

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated December 26, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana  
December 26, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

**Management's Discussion and Analysis**  
June 30, 2019

As management of the Red River Parish Clerk of Court, I offer readers of the Red River Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Red River Parish Clerk of Court for the fiscal year ended June 30, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Red River Parish Clerk of Court's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Red River Parish Clerk of Court's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Red River Parish Clerk of Court is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Red River Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Red River Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Red River Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

**Fiduciary funds.** Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Red River Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Red River Parish Clerk of Court's performance.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Red River Parish Clerk of Court exceeded liabilities by \$475,766. Approximately 2% of the Red River Parish Clerk of Court's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Red River Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation.

STATEMENT OF NET POSITION

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$314,128	\$321,692
Investments	554,367	554,367
Receivables	14,369	26,511
Capital assets (net of accumulated depreciation)	<u>10,180</u>	<u>13,967</u>
<b>TOTAL ASSETS</b>	<u>893,044</u>	<u>916,537</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>142,615</u>	<u>147,575</u>
<b>TOTAL ASSETS AND OUTFLOWS OF RESOURCES</b>	<u><u>\$1,035,659</u></u>	<u><u>\$1,064,112</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$2,313	\$3,316
Withholdings payable	12,037	
Due to clerk	10,012	10,012
Net pension liability	<u>517,386</u>	<u>481,694</u>
<b>TOTAL LIABILITIES</b>	541,748	495,022
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	18,145	68,001
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	10,180	13,967
Unrestricted	<u>465,586</u>	<u>487,122</u>
<b>TOTAL NET POSITION</b>	<u>475,766</u>	<u>501,089</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$1,035,659</u></u>	<u><u>\$1,064,112</u></u>

STATEMENT OF ACTIVITIES

	<u>2019</u>	<u>2018</u>
<b>Judicial:</b>		
Personal services	\$449,883	\$442,968
Operating services	40,121	38,419
Materials and supplies	10,279	7,460
Travel	33,365	23,624
Depreciation expense	<u>3,787</u>	<u>3,787</u>
<b>Total Program Expenses</b>	<u>537,435</u>	<u>516,258</u>
<b>Program revenues:</b>		
License and permits - marriage	1,595	1,843
Clerk's supplemental compensation	24,600	25,300
Non support	2,744	3,535
Court cost, fees, and charges	219,481	374,461
Recordings	193,911	7,420
Charges for copies	<u>32,374</u>	<u>31,653</u>
<b>Total program revenues</b>	<u>474,705</u>	<u>444,212</u>
<b>Net Program Expenses</b>	<u>(62,730)</u>	<u>(72,046)</u>
<b>General revenues:</b>		
Interest earned	7,352	1,300
Other	<u>34,511</u>	<u>43,266</u>
Change in Net Position	(20,867)	(27,480)
Net Position - Beginning of year	<u>496,633</u>	<u>528,569</u>
Net Position - End of year	<u><u>\$475,766</u></u>	<u><u>\$501,089</u></u>

## **Financial Analysis of the Government's Funds**

As noted earlier, the Red River Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund's unreserved, unassigned fund balance of \$858,502 shows a decrease (of approximately \$30,740) from the prior year amount.

### **General Fund Budgetary Highlights**

Differences between expenditures of the original budget and the final budget were due primarily to increase in personal services and related benefits. Differences between revenues of the original budget and the final budget were due primarily to an increase in anticipated revenues for clerks supplemental compensation, non support, and court costs, fees, and charges and decreases in licenses and permits - marriage and fees for recordings.

### **Capital Asset and Debt Administration**

**Capital assets.** The Red River Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$10,180 (net of accumulated depreciation). This investment includes furniture and equipment. There were no increases or decreases for the year.

**Long-term debt.** The Red River Parish Clerk of Court participates in a cost-sharing, multiple-employer defined benefit pension plan. The pension plan liability at June 30, 2019 is \$517,386.

### **Requests for Information**

This financial report is designed to provide a general overview of the Red River Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Red River Parish Clerk of Court, P.O. Box 485, Coushatta, LA 71019.

December 26, 2019

## **BASIC FINANCIAL STATEMENTS**

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

STATEMENT OF NET POSITION  
June 30, 2019

<b>ASSETS</b>	
Cash and cash equivalents	\$314,128
Investments	554,367
Receivables	14,369
Capital assets (net of accumulated depreciation)	<u>10,180</u>
<b>TOTAL ASSETS</b>	<b>893,044</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	<u>142,615</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$1,035,659</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$2,313
Payroll withholdings payable	12,037
Due to clerk	10,012
Net pension liability	<u>517,386</u>
<b>TOTAL LIABILITIES</b>	<b><u>541,748</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	18,145
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	10,180
Unrestricted	<u>465,586</u>
<b>TOTAL NET POSITION</b>	<b><u>475,766</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b><u>\$1,035,659</u></b>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

STATEMENT OF ACTIVITIES  
June 30, 2019

Judicial:	
Personal services	\$449,883
Operating services	40,121
Materials and supplies	10,279
Travel	33,365
Depreciation expense	3,787
Total Program Expenses	<u>537,435</u>
Program revenues:	
License and permits - marriage	1,595
Clerk's supplemental compensation	24,600
Non support	2,744
Court cost, fees, and charges	219,481
Recordings	193,911
Copies	32,374
Total program revenues	<u>474,705</u>
Net Program Expenses	(62,730)
General revenues:	
Interest earned	7,352
Other	34,511
Change in Net Position	(20,867)
Net Position - Beginning of year	<u>496,633</u>
Net Position - End of year	<u>\$475,766</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2019

**ASSETS**

Cash and cash equivalents	\$314,128
Investments	554,367
Receivables	<u>14,369</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$882,864</u></u></b>

**LIABILITIES AND FUND EQUITY**

Liabilities -	
Accounts payable	\$2,313
Payroll withholdings payable	12,037
Due to clerk	<u>10,012</u>
Total Liabilities	<u>24,362</u>
Fund Equity - fund balances - unassigned	<u>858,502</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u><u>\$882,864</u></u></b>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2019

Total Fund Balances at June 30, 2019 - Governmental Funds (Statement C)		<u>\$858,502</u>
Deferred outflows of resources		142,615
Cost of capital assets at June 30, 2019	\$103,808	
Less: Accumulated depreciation	<u>(93,628)</u>	10,180
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(517,386)
Deferred inflows of resources		<u>(18,145)</u>
Net Position at June 30, 2019		<u>\$475,766</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,  
and Changes in Fund Balances

For the Year Ended June 30, 2019

**REVENUES**

Licenses and permits - marriage	\$1,595
Intergovernmental revenues - state grants-	
Clerk's supplemental compensation	24,600
Non support	2,744
Fees, charges, and commissions for services:	
Court costs, fees, and charges	219,481
Recordings	193,911
Charges for copies	32,374
Use of money and property	7,352
Miscellaneous revenues	390
Total revenues	<u>482,447</u>

**EXPENDITURES**

## Current:

## General government - judicial:

Personal services	429,422
Operating services	40,121
Materials and supplies	10,279
Travel and other charges	33,365
Total expenditures	<u>513,187</u>

**EXCESS (Deficiency) OF REVENUES  
OVER EXPENDITURES**

(30,740)

**FUND BALANCES AT BEGINNING OF YEAR**

889,242

**FUND BALANCES AT END OF YEAR**

\$858,502

The accompanying notes are an integral part of this statement.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2019

Total net change in fund balances - governmental funds (Statement D)	(\$30,740)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(3,787)
Non-employer contributions to cost-sharing pension plan	34,121
Pension expense	<u>(20,461)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$20,867)</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2019

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$106,773	\$3,484,105	\$3,590,878
Investments	600,675	30,152,113	30,752,788
<b>TOTAL ASSETS</b>	<u>\$707,448</u>	<u>33,636,218</u>	<u>\$34,343,666</u>
<b>LIABILITIES</b>			
Others	\$707,448	\$33,636,218	\$34,343,666
<b>TOTAL LIABILITIES</b>	<u>\$707,448</u>	<u>\$33,636,218</u>	<u>\$34,343,666</u>

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 shall have other duties and powers provided by law. The clerk of court is elected for a term of four years.

The accompanying financial statements of the Red River Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Red River Parish Police Jury is the financial reporting entity for Red River Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Red River Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Red River Parish Police Jury, the financial reporting entity. 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 Red River Parish financial reporting entity.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The clerk of court's basic financial statements include both government-wide (reporting the clerk of court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the clerk, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net Position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The clerk first uses restricted resources to finance qualifying activities. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
Notes to the Financial Statements (Continued)

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

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

### C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. 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 are described as follows:

#### **Governmental Fund Type**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the clerk of court and is used to account for the operations of the clerk's office. The various fees and charges due to the clerk's

office are accounted for in this fund. General operating expenditures are paid from this fund.

#### **Fiduciary Fund Type - Agency Funds**

The Advance Deposit and Registry of Court 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.

### **D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

#### **1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### **2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds 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

RED RIVER PARISH CLERK OF COURT  
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Notes to the Financial Statements (Continued)

current period. The clerk 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**

Intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. CASH AND CASH EQUIVALENTS**

Under state law, the clerk may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the clerk has cash and equivalents (book balances) totaling \$3,905,006 as follows:

Demand deposits	\$3,658,174
Time deposits	<u>246,832</u>
Total	<u>\$3,905,006</u>

RED RIVER PARISH CLERK OF COURT  
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 Notes to the Financial Statements (Continued)

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk’s name. The Clerk does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at June 30, 2019, is \$3,913,168 and are fully secured as follows:

Bank Balances	<u>\$3,913,168</u>
Federal deposit insurance	\$814,420
Pledged securities (uncollateralized)	<u>4,313,855</u>
Total	<u>\$5,128,275</u>

**F. INVESTMENTS**

Under state law, the clerk may invest funds in obligations of the United States, in federally insured investments, investment grade (A-1/P-1) commercial paper of domestic corporations or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments are grouped into three categories of credit risk:

1. Insured or registered, or for which the securities held by the clerk or its agent in the clerk’s name.
2. Uninsured and unregistered, with securities held by the bank’s trust department or agent in the clerk’s name.
3. Uninsured and unregistered, with securities held by the bank, or by its trust department or agent but not in the clerk’s name.

At year-end, the clerk’s investment balances are in United State government securities totaling \$28,219,704, which is also fair market value. There is an unrealized gain of \$20,827.

RED RIVER PARISH CLERK OF COURT  
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Notes to the Financial Statements (Continued)

Investments held at June 30, 2019 consist of \$3,108,278 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2019 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

#### **G. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at

RED RIVER PARISH CLERK OF COURT  
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 Notes to the Financial Statements (Continued)

the date of donation. The clerk has no threshold level for capitalizing capital assets, all assets are capitalized. Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

**H. ANNUAL AND SICK LEAVE**

Employees of the clerk of court's office receive 5 to 20 days of non-cumulative vacation leave each year, depending on the length of service. Employees earn from 8 to 12 hours of sick leave per month, depending on length of service. Vacation and sick leave are earned and accumulated on a calendar basis, however, any unused vacation and sick leave is forfeited at December 31 and/or upon termination.

**I. RISK MANAGEMENT**

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering her automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2019.

**J. PENSION PLANS**

The Red River Parish Clerk's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related

RED RIVER PARISH CLERK OF COURT  
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Notes to the Financial Statements (Continued)

to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**K. EQUITY CLASSIFICATIONS**

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

RED RIVER PARISH CLERK OF COURT  
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*Restricted* - represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$858,502. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**L. ESTIMATES**

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

**2. RECEIVABLES**

Receivables of \$14,369 at June 30, 2019, are as follows:

<u>Class of receivables:</u>	GENERAL
Fees, charges, and commissions for services:	FUND
Non-support	\$713
Other	13,656
Total	<u>\$14,369</u>

RED RIVER PARISH CLERK OF COURT  
 Coushatta, Louisiana  
 Notes to the Financial Statements (Continued)

**3. CHANGES IN CAPITAL ASSETS**

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 2018	\$103,808
Additions	NONE
Deletions	<u>NONE</u>
Balance, June 30, 2019	103,808
Less accumulated depreciation	<u>(93,628)</u>
Net Capital Assets	<u><u>\$10,180</u></u>

**4. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER**

The Louisiana Clerks' of Court Retirement Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1501 to provide retirement, disability and survivor benefits to clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees.

Substantially all employees of the Red River Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

*Summary of Significant Accounting Policies.*

The Louisiana Clerks' of Court Retirement and Relief 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 employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Louisiana Clerks' of Court Retirement and Relief Fund employer schedules were 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

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Notes to the Financial Statements (Continued)

member's 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 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 Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

***Plan 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) or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3% percent of the members monthly average final compensation multiplied by the number of years of credited

RED RIVER PARISH CLERK OF COURT  
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 Notes to the Financial Statements (Continued)

service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3 and 1/3 percent 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 of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last 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.

According to the 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 19.0%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance any unfunded accrued liability. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

At June 30, 2019, the Clerk reported a liability of \$517,386 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerks' proportion of the net pension liability was based on a projection of the Clerks' long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks' actuarially determined. At June 30, 2018, the Clerks' proportion was .311 percent, which was a decrease of .0073 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$92,402. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected actual experience	\$13,730	\$5,111
Changes in Assumptions	53,755	
Net difference between projected and actual earnings on pension plan	9,876	

RED RIVER PARISH CLERK OF COURT  
 Coushatta, Louisiana  
 Notes to the Financial Statements (Continued)

Changes in employer's proportion of beginning NPL	\$8,853	\$13,004
Differences between employer and proportionate share of contributions	22	30
Subsequent measurement contributions	56,379	
Total	\$142,615	\$18,145

\$56,379 reported as deferred outflows of resources related to pensions resulting from the Clerks' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$37,899
2020	25,597
2021	(6,350)
2022	10,945
Total	\$68,091

**Actuarial assumptions.** The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2018
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected salary increases	5.0%
Inflation rate	2.5%
Mortality rates	RP-2000 Employee Table (set back 4 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 RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)
Expected remaining service lives	2014 - 5 years, 2015 - 5 years, 2016 - 5 years, 2017 - 5 years, 2018 - 5 years

RED RIVER PARISH CLERK OF COURT  
 Coushatta, Louisiana  
 Notes to the Financial Statements (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.
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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 performed over the period July 1, 2009 through June 30, 2014 unless otherwise specified.

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 product the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 7.10%, for the year ended June 30, 2018.

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

***Sensitivity of the Clerks’ 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, or one percentage point higher than the current rate as of June 30, 2018.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Clerks’ proportionate share of the net pension liability	\$790,969	\$517,386	\$290,611

RED RIVER PARISH CLERK OF COURT  
 Coushatta, Louisiana  
 Notes to the Financial Statements (Continued)

**5. CHANGES IN AGENCY FUND BALANCES**

A summary of changes in agency fund balances deposits due others follows:

	Advance Deposit Fund	Registry of Court Fund	Total
Balance, July 1, 2018	\$688,810	\$31,140,690	\$31,829,500
Additions	187,286	2,640,229	2,827,515
Deletions	<u>(168,648)</u>	<u>(144,701)</u>	<u>(313,349)</u>
Balance June 30, 2019	<u>\$707,448</u>	<u>\$33,636,218</u>	<u>\$34,343,666</u>

**6. LITIGATION AND CLAIMS**

The Red River Parish Clerk of Court is not involved in any litigation at June 30, 2019, nor is he aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Licenses and permits - marriage	\$2,000	\$1,500	\$1,595	\$95
Intergovernmental revenues-state grants-				
Clerk's supplemental compensation	23,000	25,300	24,600	(700)
Non support		2,500	2,744	244
Fees, charges, and commissions for services:				
Court costs, fees, and charges	175,000	380,000	219,481	(160,519)
Recordings	175,000	5,000	193,911	188,911
Charges for copies	32,000	32,000	32,374	374
Use of money and property	8,000	8,000	7,352	(648)
Miscellaneous revenues	10,000	10,000	390	(9,610)
Total revenues	<u>425,000</u>	<u>464,300</u>	<u>482,447</u>	<u>18,147</u>
<b>EXPENDITURES</b>				
Current:				
General government - judicial				
Personal services and related benefits	440,000	445,000	429,422	15,578
Operating services	32,500	32,500	40,121	(7,621)
Materials and supplies	7,500	7,500	10,279	(2,779)
Travel and other charges	30,000	30,000	33,365	(3,365)
Total expenditures	<u>510,000</u>	<u>515,000</u>	<u>513,187</u>	<u>1,813</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(85,000)	(50,700)	(30,740)	19,960
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>854,091</u>	<u>889,242</u>	<u>889,242</u>	NONE
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$769,091</u>	<u>\$838,542</u>	<u>\$858,502</u>	<u>\$19,960</u>

See accompanying note to budgetary comparison schedule.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2019

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Red River Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**Red River Parish Clerk of Court**  
**Schedule of Employer's Share of Net Pension Liability**  
**June 30, 2019**

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.314500%	\$424,218	\$276,332	153.52%	79.37%
2015	0.305440%	\$458,170	\$276,332	165.80%	78.13%
2016	0.320480%	\$592,880	\$292,517	202.68%	74.17%
2017	0.318384%	\$481,694	\$287,224	167.71%	79.69%
2018	0.311060%	\$517,386	\$288,812	179.14%	79.08%

\* Amounts presented were determined as of the end of the measurement date (previous fiscal year end).

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

**Red River Parish Clerk of Court  
Schedule of Employer Contributions  
June 30, 2019**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$49,311	\$49,311	\$0	\$276,332	17.84%
2015	\$52,503	\$52,503	\$0	\$276,332	19.00%
2016	\$55,578	\$55,578	\$0	\$292,517	19.00%
2017	\$54,573	\$54,573	\$0	\$287,224	19.00%
2018	\$54,874	\$54,874	\$0	\$288,812	19.00%

\* Amounts presented were determined as of the end of the fiscal year.

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

**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2019

STUART SHAW, CLERK OF COURT

PURPOSE	AMOUNT
Salary	\$110,154
Expense Allowance	13,475
Supplemental Compensation	24,600
Election expense	1,800
Benefits-insurance	16,626
Benefits-retirement	40,293
Benefits-deferred compensation	9,000
Benefits-Medicare	2,223
Car Allowance	19,623
HCA account	3,000
Registration fees	175
Telephone	1,200
Membership dues-Clerk's Association	2,199

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended June 30, 2019

**FIDUCIARY FUND TYPE - AGENCY FUNDS**

**ADVANCE DEPOSIT FUND**

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

**REGISTRY OF COURT FUND**

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

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled  
Balances Due to Taxing Bodies and Others  
For the Year Ended June 30, 2019

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
<b>UNSETTLED DEPOSITS AT BEGINNING OF YEAR</b>	<u>\$688,810</u>	<u>\$31,140,690</u>	<u>\$31,829,500</u>
<b>ADDITIONS</b>			
Suits and successions		2,069,992	2,069,992
Advance deposits	187,286		187,286
Interest earned on investments		570,237	570,237
Total additions	<u>187,286</u>	<u>2,640,229</u>	<u>2,827,515</u>
Total	<u>876,096</u>	<u>33,780,919</u>	<u>34,657,015</u>
<b>REDUCTIONS</b>			
Clerk's costs to General Fund	107,497	23,544	131,041
Sheriff's fees	18,017		18,017
Refunds	26,445	121,157	147,602
Other reductions	16,689		16,689
Total reductions	<u>168,648</u>	<u>144,701</u>	<u>313,349</u>
<b>UNSETTLED DEPOSITS AT END OF YEAR</b>	<u>\$707,448</u>	<u>\$33,636,218</u>	<u>\$34,343,666</u>

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance With *Government Auditing Standards***

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund and the fiduciary funds of the Red River Parish Clerk of Court, a component unit of the Red River Parish Police Jury, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Red River Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 26, 2019.

**Internal Control Over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that I consider to be a significant deficiency.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
June 30, 2019

**Compliance and Other Matters**

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

**Red River Parish Clerk of Court's Response to Finding**

Red River Parish Clerk of Court's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. Red River Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Red River Parish Clerk of Court'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 Red River Parish Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana  
December 26, 2019

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

Schedule of Findings and Responses  
For the Year Ended June 30, 2019

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of the Red River Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of the Red River Parish Clerk of Court were disclosed during the audit.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2019-001 Inadequate Segregation of Duties**

**Condition:** The segregation of duties is inadequate to provide effective internal control.

**Criteria:** Adequate segregation of duties is essential to proper internal control.

**Cause of Condition:** The condition is due to economic limitations.

**Effect of Condition:** Not determined.

**Recommendation:** No action is recommended.

**Response:** Management has segregated duties as much as the size of the office will allow.

RED RIVER PARISH CLERK OF COURT  
Coushatta, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2019

**2018-001 Inadequate Segregation of Duties**

**Condition:** The segregation of duties is inadequate to provide effective internal control.

**Status:** This finding has not been resolved and is repeated for the current year.



STUART SHAW  
Clerk of Court  
Thirty Ninth Judicial District  
Red River Parish

Post Office Box 485  
Coushatta, LA 71019

Phone # 318-932-6741  
Fax # 318-932-3126

December 26, 2019

TO: Louisiana Legislative Auditor

FROM: Stuart Shaw

Red River Parish Clerk of Court

Re: Findings- Financial Statement- Year ended 2019

In response to 2019-001 Inadequate Segregation of Duties:

As Clerk of Court, I am ultimately responsible for the finances of the office. We have segregated the duties as much as the size of our office will allow. My determination to provide effective internal control has been verified in that we have adequately maintained accuracy of all finances.

Sincerely

Stuart Shaw

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Red River Parish Clerk of Court  
PO Box 485  
Coushatta, LA 71019

To the Red River Parish Clerk of Court's Office

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

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

The procedures and associated findings are as follows:

**AGREED-UPON PROCEDURES**

**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 operation):

The Clerk provided a policy and procedures manual to test against the agreed upon procedures.

- A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
- B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- C. Disbursements, including processing, reviewing, and approving

- D. Receipts/Collections, including receiving, recording, and preparing deposits. Also policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification personnel, processes, and tools needed to recover operations after a critical event.

The Red River Parish Clerk of Court has policies and procedures that address the above categories.

**BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)**

- 2. The Red River Parish Clerk of Court's office does not have a board or a finance committee therefore 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:
  - A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation(e.g., initialed and dated, electronically logged);
  - 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.

The agency provided me with a certified list of all bank accounts. January, 2019 was randomly selected to be tested. A random sample of 5 bank accounts were selected to test. For the 5 bank accounts selected, it was determined that the bank reconciliations were dated to show evidence that they were reconciled within 2 months of the closing date of the statements. It was determined that the bank reconciliations were performed by the Clerk and no evidence that they were reviewed by anyone else. 3 of the 5 accounts had no outstanding reconciling items over 12 months. Two accounts had items over 12 months.

## 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).

Agency provided me with a certified list of deposit sites and I verified that it was 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.

- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 1 collection location with one cash register. Multiple deputies work out of the cash register. All collection payments are posted to the fund when received by the deputies. One of the deputies reconciles the cash drawer and makes the deposit. After the deposit is made, the Clerk posts the deposits to the accounting software daily. Bank reconciliations for the general fund are prepared by the Clerk. The cash register is reconciled daily and deposits are made daily. The deposit is made by an employee that also may be reconciling the cash register, since several deputies take turns reconciling the cash register and making the deposits.

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

The Clerk does not have employee theft insurance coverage on the employees.

- 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 statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

The Clerk does not use pre-numbered receipts, the computer system generates receipts when money is collected. Deposit documentation was traced to the computer information for the days receipts. The deposit slips selected were traced to the bank statements for all accounts. The Clerk's office makes daily deposits. The deposit slips selected were traced from the bank statements to the general ledger posting.

**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).

Agency provided a complete list of locations that process payments and represented that the list was complete.

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 initialing a purchase request, approving a purchase, and placing an order/making the purchase.
- B) At least two employees are involved in processing and approving payments to vendors.
- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Clerk does not use a purchase order system. The Clerk initiates and approves all purchases. The Clerk has ultimate approval on all purchases. The Clerk initiates and signs all checks for the general fund. A designated deputy reconciles the advanced deposit monies. The designated deputy initiates and signs the checks for the advanced deposit fund. The Clerk adds any new vendors.

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

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

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

All general fund disbursements selected to be tested had the proper support documentation. The Clerk initiates and approves all purchases. The Clerk initiates and signs all checks. The Clerk reconciles the bank statement for all of the funds, except for advanced deposit, which is reconciled by a designated deputy. There is no written evidence that it is being reviewed. The Clerk is ultimately responsible for all disbursements of the Clerks office.

## **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.

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

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.)]

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

The Clerk reviews all credit card statements and attaches proper support to the statement. For the card tested, there were no service charges or interest charges noted.

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).

All transactions tested had the proper documentation. The Clerk initiates and approves all purchases. All transactions tested appeared to be for business purposes.

## TRAVEL AND EXPENSE REIMBURSEMENT

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 form/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete.

- A) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- B) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- C) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- D) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The agency is using the established rate and that is what is being paid to the employees. All amounts tested for reimbursement were at per diem rates and had the proper documentation. The employee was reimbursed the correct amount and it was noted the expenditure was for a business purpose. No meal charges were tested. The Clerk reviews and approves all travel reimbursements.

## CONTRACTS

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

- A. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- B. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- C, If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- D. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

The Red River Clerk of Court had no contracts for the current period.

## **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.

The Red River Clerk of Court provided a list of employees with salaries for the current period.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - A, Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - B. Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - C. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

The Red River Clerk of Court tracks time in the payroll software. Leave time is tracked by the Clerk.

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

The Red River Clerk of Court had no employees that were terminated during the test period.

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.

The Red River Clerk of Court appears to be paying taxes and contributions when required and filing reports when required.

## **ETHICS (EXCLUDING NONPROFITS)**

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

Agency provided support for ethics training for five randomly selected employees. Agency did not have any documentation to show that the employees have read the agency policy concerning the ethics policy.

## **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.

The Red River Clerk of Court had no debt issued during the current testing period.

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

The Red River Clerk of Court had no debt outstanding for the current test period.

## **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.

The clerk's office has no known misappropriation of funds during the test period.

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.

I observed the fraud hotline notice posted on the premises.

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

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



Mary Jo Finley, CPA  
December 26, 2019



STUART SHAW

Clerk of Court

Thirty Ninth Judicial District

Red River Parish

Post Office Box 485  
Coushatta, LA 71019

Phone # 318-932-6741

Fax # 318-932-3126

December 26, 2019

TO: Mary Jo Finley

FROM: Stuart Shaw

Red River Parish Clerk of Court

Re: AUP Report - Year ended 2019

In response to AUP Application:

**BANK RECONCILIATIONS**

All bank reconciliations are done by the Clerk. In the future all reconciliations will be reviewed and initialed by a deputy clerk, and all outstanding items over 12 months will be cleaned up.

**COLLECTIONS**

Due to the size of the office it is sometimes necessary for the deputy who is reconciling the cash drawer to make the deposit.

The clerk will look into employee theft insurance.

**NON-PAYROLL DISBURSEMENTS**

Due to the size of the office it is difficult to segregate duties

**CREDIT CARDS**

In the future credit card statements will be reviewed by deputy clerk before payment

**ETHICS**

In the future all employees will have to sign documentation that they have read ethics policy.

Sincerely



Stuart Shaw