

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017
With
INDEPENDENT AUDITOR'S REPORT**

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA**

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LAKE PROVIDENCE, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

Beatrice Carter
East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Clerk of Court as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the East Carroll Parish Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the East Carroll Parish Clerk of Court, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 and the budgetary comparison information on page 21 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Carroll Parish Clerk of Court's basic financial statements. The supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements.

East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana
Page Three

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

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Carroll Parish Clerk of Court's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, benefits, and other payments to agency head on page 23 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated January 29, 2018, on our consideration of the East Carroll Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Carroll Parish Clerk of Court's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi
January 29, 2018

REQUIRED SUPPLEMENTARY INFORMATION

PART I

EAST CARROLL PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the East Carroll Parish Clerk of Court (the Clerk), we offer readers of the Clerk's financial statements this narrative overview and analysis of the financial activities of the Clerk as of and for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the Clerk's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The liabilities of the Clerk exceeded its assets at June 30, 2017, by \$358,004 (net deficit).

The Clerk's net position increased by \$38,962 as a result of this year's operations.

Total net position is comprised of the following:

Capital assets of \$8,549 include property and equipment, net of accumulated depreciation and related debt.

Unrestricted net position (deficit) of \$(366,553) represents the portion available to maintain the Clerk's continuing obligations to citizens and creditors.

At June 30, 2017, the Clerk's governmental funds consist solely of the Clerk's general fund. The Clerk's governmental funds reported a total ending fund balance of \$119,574 an increase of \$27,256. The entire fund balance is unassigned and available for spending at the Clerk's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the Clerk's basic financial statements. In accordance with GASB No. 34, the Clerk's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements of the Clerk report information about the Clerk using accounting methods similar to those used by private sector companies. They present the financial picture of the Clerk from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the Clerk (including capital assets) as well as all liabilities (including long-term obligations).

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

The Statement of Activities presents the current year's revenues and expenses and other information showing how the Clerk's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the 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.

The government-wide financial statements are presented on pages 8 and 9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, 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 Clerk are categorized as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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 Clerk maintains one individual governmental fund - the general fund. The Clerk adopts an annual appropriated budget for the general fund, and a budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements begin on page 10.

Notes to the Financial Statements. The notes provide additional information that is essential for 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 Clerk's performance. The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

The Clerk's net position at June 30, 2017, is summarized as follows:

The largest component of the Clerk's total assets is cash and cash equivalents of \$75,111 or 51%. Of the Clerk's total liabilities, the largest component is net pension liability of \$524,416 or 76%.

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, the Clerk's liabilities exceeded assets by \$358,004. A portion of the Clerk's net position reflects its investments in capital assets (e.g., building, land, and equipment). Capital assets are non-liquid assets and cannot be utilized to satisfy the Clerk's obligations. The unrestricted net position of the Clerk is available for future use.

Management's Discussion and Analysis
Page Three

The following table reflects a condensed statement of the Clerk's net position as of June 30, 2017, and 2016:

	<u>Governmental-Type Activities</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Assets		
Current & other assets	\$ 139,703	\$ 132,063
Capital assets	8,549	11,257
Total Assets	<u>148,252</u>	<u>143,320</u>
Deferred Outflows of Resources	<u>224,951</u>	<u>104,044</u>
Liabilities		
Other liabilities	20,120	39,745
Long-term liabilities	674,456	543,983
Total Liabilities	<u>694,576</u>	<u>583,728</u>
Deferred Inflows of Resources	<u>36,631</u>	<u>60,602</u>
Net Position		
Invested in capital assets, net	8,549	11,257
Unrestricted	(366,553)	(408,223)
Total Net Position (Deficit)	<u>\$ (358,004)</u>	<u>\$ (396,966)</u>

Governmental activities increased net position by \$38,962 for the year ended June 30, 2017

Key elements of the analysis of government-wide revenues and expenses reflect the following:

The Clerk is heavily dependent on court costs and recording fees to support its operations. Court costs and recording fees provided 56% and 38%, of the Clerk's total revenues, respectively. The Clerk's operations are heavily staff oriented. As a result, employees' salaries and benefits make up approximately 78% of the total expenses.

Management's Discussion and Analysis
Page Four

The following is a summary of the statement of activities:

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenue	\$ 505,020	\$ 460,701
General revenue	36,727	13,024
Total Revenue	<u>541,747</u>	<u>473,725</u>
Expenses		
Program expenses	502,785	471,121
Total Expenses	<u>502,785</u>	<u>471,121</u>
Change in Net Position	38,962	2,604
Net Position - beginning	<u>(396,966)</u>	<u>(399,570)</u>
Net Position - ending	<u>\$ (358,004)</u>	<u>\$ (396,966)</u>

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements of the Clerk present its General Fund. The General Fund is the Clerk's operating fund and the source of day-to-day service delivery. The General Fund is useful in assessing the resources available at the end of the year in comparison with upcoming requirements.

At June 30, 2017, the Clerk's General Fund balance (total assets less total liabilities) totaled \$119,574. The Clerk's unassigned fund balance increased by \$27,256 in 2017.

Total operating revenues reflect an increase of \$56,310 in 2017 as compared to 2016.

Total operating expenses decreased by \$8,413 from 2016 to 2017.

GENERAL BUDGETARY ANALYSIS

The Clerk employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual (Budgetary Basis) include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before June 30, of the year preceding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the Clerk at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared at the time the Clerk anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

GENERAL BUDGETARY ANALYSIS- cont.

The difference between the final amended budgeted revenues and actual revenues for the year ended June 30, 2017, totaled \$(4,713) a .86% negative variance. The actual expenditures were less than the final amended budgeted expenditures for the year ended June 30, 2017, by \$44,130, a positive variance.

CAPITAL ASSETS

Capital Assets

At the end of June 30, 2017, the Clerk had invested in various capital assets, including equipment, and furniture. The capital assets are summarized below:

Depreciable assets:	
Furniture and equipment	\$ 66,261
Less Accumulated Depreciation	<u>(57,712)</u>
Book-Value of Depreciable Assets	<u>\$ 8,549</u>

ECONOMIC FACTORS AND FUTURE OUTLOOK

The Clerk's budgeted revenues and expenditures for 2018 are comparable to 2017's actual revenues and expenditures. The Clerk does not anticipate any changes in its day-to-day operations that will have a material effect on its 2018 budget.

CONTACTING THE CLERK'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Clerk's finances and to show its accountability for the money it receives. If you have question about this report or need additional financial information, contact Beatrice Carter, at the Clerk's office, East Carroll Parish Courthouse, Lake Providence, Louisiana 71254, or call at (318) 559-2399.

BASIC FINANCIAL STATEMENTS

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 75,111
Investments	60,000
Receivables	4,592
Total current assets	<u>139,703</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>8,549</u>
Total Assets	<u>148,252</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>224,951</u>
LIABILITIES	
Current liabilities:	
Accounts payable	4,824
Accrued payroll and related benefits	4,846
Deferred revenue	10,450
Long-term Liabilities:	
Compensated absences payable	15,173
Net OPEB obligation	134,867
Net pension liability	<u>524,416</u>
Total Liabilities	<u>694,576</u>
DEFERRED INFLOWS OF RESOURCES	<u>36,631</u>
NET POSITION	
Invested in capital assets	8,549
Unrestricted (Deficit)	<u>(366,553)</u>
Total Net Position (Deficit)	<u>\$ (358,004)</u>

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Expenses	
General government	
Personal services	\$ 391,258
Operating services	11,318
Materials and supplies	72,409
Travel and other charges	25,092
Depreciation	2,708
Total expenses	<u>502,785</u>
 Program Revenues	
Charges for services:	
Court costs, fees, and charges	282,891
Fees for recording legal documents	192,425
Fees for certified copies of documents	1,600
Charges for use of photocopier	17,032
Elections	9,905
Licenses and permits	1,167
Total program revenues	<u>505,020</u>
 Net program revenue	 <u>2,235</u>
 General Revenues	
Intergovernmental	36,165
Interest income	562
Total general revenues	<u>36,727</u>
 Change in Net Position	 38,962
 Net Position (Deficit) - Beginning of Year	 <u>(396,966)</u>
 Net Position (Deficit) - Ending of Year	 <u>\$ (358,004)</u>

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 75,111
Investments	60,000
Receivables	<u>4,583</u>
Total Assets	<u>139,694</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts, salaries, and other payables	9,670
Deferred revenue	<u>10,450</u>
Total Liabilities	<u>20,120</u>
Fund Balance:	
Unassigned	<u>119,574</u>
Total Fund Balance	<u>119,574</u>
Total Liabilities and Fund Balance	<u>\$ 139,694</u>

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

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

Fund balances, Total governmental funds		\$ 119,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$ 66,261	
Less accumulated depreciation	<u>(57,712)</u>	8,549
Receivables collected more than 60 days after the current period are not recorded on the fund financial statements		9
The deferred outflows of expenditures for the Clerks' of Court Retirement and Relief Fund are not a use of current resources, and therefore, are not reported in the fund financial statements		224,951
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:		
Compensated absences	(15,173)	
OPEB payable	(134,867)	
Net pension liability	<u>(524,416)</u>	(674,456)
The deferred inflows of contributions for the Clerks' of Court Retirement and Relief Fund are not available current resources, and therefore, are not reported in the fund financial statements		<u>(36,631)</u>
Net Position of Governmental Activities		<u>\$ (358,004)</u>

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

Revenues

Charges for services:	
Court costs, fees, and charges	\$ 282,886
Fees for recording legal documents	192,425
Fees for certified copies of documents	1,600
Charges for use of photocopier	17,028
Elections	9,905
Licenses and permits	1,167
Intergovernmental	36,165
Interest income	562
Total Revenues	<u>541,738</u>

Expenditures

General government:	
Personal services	405,663
Operating services	11,318
Materials and supplies	72,409
Travel and other charges	25,092
Total Expenditures	<u>514,482</u>

Excess of Revenues

Over Expenditures 27,256

Fund Balance - Beginning of Year 92,318

Fund Balance - End of Year \$ 119,574

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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

Net Change in Fund Balances, total governmental funds		\$ 27,256
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(2,708)
The decrease in compensated absences payable in the current period is not recorded in the governmental funds.		1,472
Governmental funds do not report funds received more than 60 days after year end, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities:		9
The Statement of Activities reported the unfunded cost of post employment medical insurance (OPEB) in the current year, but the costs will not be reported in the governmental funds until actually paid.		(7,632)
Net pension expense is reported in governmental funds as an expenditure when it is paid, but is reported in the Statement of Activities according to estimates required by GASB 68:		
Pension expenses paid	54,696	
Pension expenses per GASB 68	<u>(34,131)</u>	
		<u>20,565</u>
Change in Net Position of Governmental Activities		<u><u>\$ 38,962</u></u>

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	Advance Deposit Fund	Registry Of Court Fund	Total Agency Funds
Assets			
Cash and cash equivalents	\$ 63,722	\$ 22,162	\$ 85,884
Investments	35,461	-	35,461
Total Assets	<u>99,183</u>	<u>22,162</u>	<u>121,345</u>
Liabilities			
Accounts payable	1,818	-	1,818
Unsettled deposits	97,365	22,162	119,527
Total Liabilities	<u>\$ 99,183</u>	<u>\$ 22,162</u>	<u>\$ 121,345</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

INTRODUCTION

NOTE 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 has other duties and powers provided by law. The Clerk of Court is elected for a four year term.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Clerk have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Government 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.

B. REPORTING ENTITY

The East Carroll Police Jury is the governing authority and the financial reporting entity for the parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the 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 mis-leading or incomplete.

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. REPORTING ENTITY - continued

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the East Carroll Parish Police Jury. The police jury maintains and operates the parish courthouse in which the Clerk's office is located and provides funds for equipment and furniture of the Clerk's office. The Clerk was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

Governmental funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs of operations of the Clerk. The following are the Clerk's governmental funds:

General Fund - The primary operating fund of the Clerk, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk's policy.

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

-continued

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Clerk. Information contained in these statements reflects 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*.

Fund Financial Statements (FFS)

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

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk 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.

E. 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 the date of donation. The Clerk maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets and related expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Furniture and Fixtures	5-10 years
Vehicles	4-5 years

-continued

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. FUND EQUITY

Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Clerk itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Clerk takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Clerk intends to use for a specific purpose. Intent is expressed by the Clerk.

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Clerk establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Clerk through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

G. CASH AND CASH EQUIVALENTS

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

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. BUDGETARY PRACTICES

The Clerk's annual budget is adopted using the prior year's revenues and expenditures as a guide. The budget is reviewed and adjusted every six months for extraordinary revenues or expenditures. The budget presented in the accompanying financial statements is shown on the GAAP basis of accounting.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All annual appropriations lapse at the year end.

I. INVESTMENTS

Investments with original maturities exceeding 90 days are classified as investments. Investments with maturities of 90 days or less are classified as cash equivalents. At June 30, 2017, all of the Clerk's investments were certificates of deposit with original maturities in excess of 90 days.

J. COMPENSATED ABSENCES

The Clerk of Court has the following policy related to vacation and sick leave:

Employees accrue 10 days annual leave each year and 12 days sick leave each year. There is no limit on the accumulation of annual leave. There is no accumulation of sick leave. Upon retirement or death, employees are paid for all unused annual leave.

The Clerk's recognition and measurement criteria for compensated absences are as follows:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the Clerk will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The current portion, if any, of the liability for compensated absences is reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is adjusted into the government-wide statements.

At June 30, 2017, employees of the Clerk of Court had accumulated and vested employee leave benefits of \$15,173. The liability is recorded as a long-term obligation in the government-wide financial statements.

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. These amounts are reported as deferred outflows of resources and/or deferred inflows of resources in the government-wide financial statements.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued.

L. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering 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.

M. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Clerk 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 amount of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

As reflected in the financial statements, the East Carroll Parish Clerk of Court had cash and cash equivalents totaling \$160,995 at June 30, 2017, which was insured from loss by FDIC insurance. Cash and investments are stated at cost which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

NOTE 3 - INVESTMENTS

At June 30, 2017, the Clerk had investments totaling \$95,461 which included only certificates of deposit, each having an original maturity in excess of 90 days from the date acquired. The investments are in the name of the Clerk and are held at the Clerk's office. These investments are covered by FDIC insurance.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 4 - RECEIVABLES

The General Fund receivables at June 30, 2017, are as follows:

	<u>Fund Statement</u>	<u>Government- Wide</u>
Advance deposit fund	\$ 244	\$ 244
Non-support	1,939	1,939
Recording	1,641	1,641
Xerox copies	458	462
Other	301	306
Total	<u>\$ 4,583</u>	<u>\$ 4,592</u>

NOTE 5 - CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended June 30, 2017:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Equipment	\$ 66,261	\$ -	\$ -	\$ 66,261
Total capital assets	<u>66,261</u>	<u>-</u>	<u>-</u>	<u>66,261</u>
Less:				
Accumulated depreciation	<u>(55,004)</u>	<u>(2,708)</u>	<u>-</u>	<u>(57,712)</u>
Total capital assets, net	<u>\$ 11,257</u>	<u>\$ (2,708)</u>	<u>\$ -</u>	<u>\$ 8,549</u>

NOTE 6 - PENSION PLAN

Substantially all employees of the East Carroll Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund, a multiple-employer, public employee retirement system controlled and administered by a separate board of trustees.

All regular employees earning at least \$100 per month who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 6 - PENSION PLAN – continued

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Members are required to contribute 8.25% of their annual covered salary and the East Carroll Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 19.00% of annual covered payroll. The East Carroll Parish Clerk of Court contributed an entire 27.25%. The East Carroll Parish Clerk of Court's contribution for the year ending June 30, 2017, was \$75,681, equal to the required contributions of the year.

The Louisiana Clerks of Court Association issues a publicly available Actuarial Valuation and required supplementary information. That information may be obtained by writing to Louisiana Clerks of Court Association, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

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

At June 30, 2017, the Clerk reported a liability of \$524,416 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks, actuarially determined. At June 30, 2016, the Clerk's proportion was .283472 percent, which was an increase of .016792 from its proportion as of June 30, 2015.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$34,131. At June 30, 2017, the Clerk reported deferred flows 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 and actual experience	\$ 5,352	\$ 17,850
Changes of assumptions	32,298	-
Net difference between projected and actual earnings on pension plan investments	90,479	-
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	21,141	18,781
Clerk contributions subsequent to the measurement date	75,681	-
Total	\$ 224,951	\$ 36,631

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 6 - PENSION PLAN – continued

\$75,681 reported as deferred outflows of resources related to pensions resulting from Clerk contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$	22,548
2018		22,548
2019		37,545
2020		29,998
2021		-
Thereafter		36,631

Actuarial assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense, including inflation
Projected salary increases	5.00%
Inflation Rate	2.5%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining	
Service Lives	2016 - 5 years 2015 - 5 years 2014 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 6 - PENSION PLAN – continued

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

The mortality rate assumption used was verified by combing data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 – June 30, 2014.

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The results of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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

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

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.0%	1.00%
Core plus fixed income	15.0%	1.50%
Domestic Equity:		
Large cap domestic equity	21.0%	4.25%
Nonlarge cap domestic equity	7.0%	4.00%
International Equity:		
Large cap international equity	15.50%	5.25%
Small cap international equity	5.00%	5.00%
Emerging markets	6.5%	7.25%
Real Estate	10.0%	4.75%
Master Limited Partnerships	5.0%	6.50%
Hedge Funds	10.0%	3.50%
	100.0%	

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 6 - PENSION PLAN – continued

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

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.0%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate at June 30, 2016.

	Changes in Discount Rate 2016		
	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net Pension Liability	\$ 746,234	\$ 524,416	\$ 336,137

NOTE 7 - DEFERRED COMPENSATION PLAN

Plan Description. The East Carroll Parish Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Clerk employees, permits the employees to defer a portion of their salary until future years. The Clerk matches 100% of employee contributions. The Clerk's contribution to the plan amounted to \$10,400 and \$9,600 for the years ended June 30, 2017, and 2016, respectively. The deferred compensation is not available to employees until termination, retirement, death or proof of hardship.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participant's rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 8 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The Clerk's long-term obligations are as follows for the year ended June 30, 2017:

	<u>Compensated Absences</u>	<u>Pension Liability</u>	<u>OPEB</u>	<u>Total</u>
Balance, June 30, 2016	\$ 16,645	\$ 400,103	\$ 127,235	\$ 543,983
Additions	-	199,994	26,685	226,679
Deletions	<u>(1,472)</u>	<u>(75,681)</u>	<u>(19,053)</u>	<u>(96,206)</u>
Balance, June 30, 2016	<u>\$ 15,173</u>	<u>\$ 524,416</u>	<u>\$ 134,867</u>	<u>\$ 674,456</u>

NOTE 9 - LITIGATION AND CLAIMS

The Clerk is not involved in any litigation at June 30, 2017, nor is it aware of any unasserted claims.

NOTE 10 - HEALTH AND LIFE INSURANCE BENEFITS

The Louisiana Clerk of Court Association provides healthcare and life insurance benefits for its employees. Substantially, all of the Clerk's General Fund employees are covered by the Louisiana Clerk of Court Association Insurance Program. During the year ended June 30, 2017, the General Fund paid for those benefits.

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk pays for the entire premium charged by the LCCA for retirees. Retirees are required to pay 100% of the premium for their dependents. Surviving spouses are required to pay 100% of the premiums. For fiscal year 2017, the Clerk contributed \$19,053 to the plan and the retirees/surviving spouses contributed \$0.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS-continued

Annual OPEB Cost and Net OPEB Obligation. For 2017, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 28,915
Interest on Net OPEB Obligation	4,453
Adjustment to Annual Required Contribution	(6,683)
Annual OPEB Cost (Expense)	26,685
Contributions Made	(19,053)
Increase in Net OPEB Obligation	7,632
Net OPEB Obligation - beginning of year	127,235
Net OPEB Obligation - end of year	\$ 134,867

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 35,223	46.7%	\$ 118,590
6/30/2016	\$ 26,835	67.8%	\$ 127,235
6/30/2017	\$ 26,685	71.4%	\$ 134,867

Funded Status and Funding Progress. As of June 30, 2017, the actuarial accrued liability for benefits was \$344,434, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$277,727, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 124%.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - continued

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

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

In the July 1, 2015, actuarial valuation, the unit credit cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after 13 years. Medicare Supplement trend starts at 4% and decreases to 3% after 8 years. Dental trend decreases from 4% to 3% over 5 years, and vision trend is 3% in all years. The Clerk's unfunded actuarial liability is being amortized on a level dollar open basis over 30 years.

NOTE 12 - EXPENSES OF THE CLERK PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the Clerk's office are paid by the parish police jury. The Police Jury paid the electric bills for the Clerk's office, and provided office space. None of these expenses are included in the financial statements.

NOTE 13 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	June 30, 2016	Unsettled Deposits		June 30, 2017
		Additions	Reductions	
Agency Funds	\$ 101,002	\$ 134,468	\$ (138,105)	\$ 97,365
Registry of Court Fund	25,994	12	(3,844)	22,162
Total	<u>\$ 126,996</u>	<u>\$ 134,480</u>	<u>\$ (141,949)</u>	<u>\$ 119,527</u>

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 – continued**

NOTE 14 - FIDUCIARY FUND TYPE - AGENCY FUNDS

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

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

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events were evaluated through January 29, 2018, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
GOVERNMENTAL FUND – GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET (NON GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Xerox	\$ 12,800	\$ 19,650	\$ 17,028	\$ (2,622)
Recording	184,650	194,400	192,425	(1,975)
Cancellation	1,450	1,810	1,806	(4)
Mortgage certificates	500	375	375	-
Marriage licenses	1,500	1,165	1,167	2
Notary	1,050	1,635	1,679	44
Certified copies	1,670	1,640	1,600	(40)
Court attendance	900	1,150	1,150	-
Non- support (State)	14,000	11,485	11,491	6
Criminal fees	67,635	151,941	151,926	(15)
Advanced deposit	118,500	101,670	95,165	(6,505)
Interest	540	530	562	32
Elections	8,225	9,900	9,905	5
Clerk's supplemental	22,000	22,750	22,750	-
Other revenue	38,365	11,496	4,440	(7,056)
Intergovernmental	-	-	13,415	13,415
Birth certificates	10,700	14,854	14,854	-
Total revenues	<u>484,485</u>	<u>546,451</u>	<u>541,738</u>	<u>(4,713)</u>
EXPENDITURES				
Salaries:				
Salary & elections	144,500	147,600	147,600	-
Deputies	122,000	138,900	138,805	95
Other wages	12,400	-	-	-
Fringe Benefits:				
Group insurance	53,200	55,700	51,677	4,023
Clerk's retirement	50,000	67,480	54,696	12,784
Deferred compensation	9,600	9,600	10,400	(800)
Medicare/FICA	3,000	15,100	1,213	13,887
Workers compensation	3,655	3,272	3,272	-
Operating Services:				
Marriage license, battered women	1,500	2,200	2,172	28
Universal Commercial Code	37,500	36,500	36,088	412
Material Supplies:				
Office	43,185	45,000	32,149	12,851
Clerk's suppl. fund	2,400	2,650	2,592	58
Travel & Other Charges:				
Convention	1,900	1,460	1,460	-
Auto (Gas, Insurance, Supplies)	21,040	21,040	21,040	-
Elections	1,200	1,680	1,680	-
Birth certificates	6,650	7,580	7,507	73
Miscellaneous	7,830	2,850	2,131	719
Total expenditures	<u>521,560</u>	<u>558,612</u>	<u>514,482</u>	<u>44,130</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (37,075)</u>	<u>\$ (12,161)</u>	27,256	<u>\$ 39,417</u>
FUND BALANCE- BEGINNING			<u>92,318</u>	
FUND BALANCE- ENDING			<u>\$ 119,574</u>	

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE HEALTH CARE PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

Actual Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
6/30/2009	\$ -	\$ 433,462	\$ 433,462	0.0%	\$ 244,580	177.2%
6/30/2012	\$ -	\$ 381,617	\$ 381,617	0.0%	TBD	TBD
6/30/2015	\$ -	\$ 344,434	\$ 344,434	0.0%	\$ 311,760	110.5%

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2017**

Actuarial Valuation Date	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
June 30, 2014	0.28661%	\$ 386,666	\$ 253,486	152.54%	79.34%
June 30, 2015	0.26673%	\$ 400,103	\$ 240,884	166.10%	78.13%
June 30, 2016	0.28347%	\$ 524,416	\$ 258,739	202.68%	79.81%

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTION
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2017**

Actuarial Valuation Date	Contractually Required Contribution	Contribution in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$ 44,671	\$ 44,671	\$ -	\$ 253,486	17.62%
June 30, 2015	\$ 45,700	\$ 45,700	-	\$ 240,884	18.97%
June 30, 2016	\$ 58,714	\$ 58,714	-	\$ 258,739	22.69%

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

OTHER SUPPLEMENTARY INFORMATION

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
AGENCY FUNDS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	Advance Deposit Fund	Registry Of Court Fund	Total
Assets			
Cash and cash equivalents	\$ 63,722	\$ 22,162	\$ 85,884
Investments	35,461	-	35,461
Total Assets	99,183	22,162	121,345
Liabilities			
Accounts payable	1,818	-	1,818
Unsettled deposits	97,365	22,162	119,527
Total Liabilities	\$ 99,183	\$ 22,162	\$ 121,345

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	Advance Deposit Fund	Registry Of Court Fund	Total
Balances, beginning of year	<u>\$ 101,002</u>	<u>\$ 25,994</u>	<u>\$ 126,996</u>
Additions:			
Deposits:			
Suits and successions	134,468	-	134,468
Interest earnings of investments	-	12	12
Total additions	<u>134,468</u>	<u>12</u>	<u>134,480</u>
Total	<u>235,470</u>	<u>26,006</u>	<u>261,476</u>
Reductions:			
Clerk's costs	95,165	-	95,165
Settlements to litigants	11,712	3,648	15,360
Attorney, curators and notarial fees	7,220	-	7,220
Witness, appraisers, keepers, etc.	12,130	-	12,130
Sheriff's fees	11,878	-	11,878
Other fees	-	196	196
Total reductions	<u>138,105</u>	<u>3,844</u>	<u>141,949</u>
Balances, end of year	<u><u>\$ 97,365</u></u>	<u><u>\$ 22,162</u></u>	<u><u>\$ 119,527</u></u>

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2017**

Beatrice Carter, Clerk

Salary and expense amount	\$ 147,599
Benefits - insurance	11,315
Benefits - retirement	27,787
Benefits - deferred compensation	7,200
Automobile allowance	21,040
Conference	1,461
Telephone	<u>1,752</u>
 Total	 <u><u>\$ 218,154</u></u>

**COMPLIANCE REPORTING AND OTHER SCHEDULES REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
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Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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*

Beatrice Carter
East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana

We have audited the financial statements of the East Carroll Parish Clerk of Court as of and for the year ended June 30, 2017, and have issued our report thereon dated January 29, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Carroll Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the East Carroll Parish Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the East Carroll Parish Clerk of Court's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Carroll Parish Clerk of Court 's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is identified as 17-01 in the schedule of findings and questioned costs.

This report is intended solely for the information and use of the East Carroll Parish Clerk of Court, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
January 29, 2018

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the East Carroll Parish Clerk of Court.
2. One instance of noncompliance material to the financial statements was disclosed during the audit of the financial statements.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

FINDINGS - FINANCIAL STATEMENTS AUDIT

17-01 Failure to File Audit Report Timely

Finding: Louisiana Revised Statute 24:513 requires all audit engagements to be completed and transmitted to the Legislative Auditor within six months of the close of the fiscal year end. Accordingly, the East Carroll Parish Clerk of Court's audit for the year ended June 30, 2017 was due to the Legislative Auditor by December 31, 2017.

Cause: During the initial engagement assessment the Clerk indicated there were no significant changes from the prior year, and that the proper engagement type was a review. However, during the course of the engagement it was discovered that the engagement should have been an audit. This did not allow adequate time to perform the additional procedures required for an audit by the due date.

Recommendation: The Clerk and the auditor should ensure that the proper engagement type is performed.

Response: In the future, the Clerk and the auditor will review the financial records to ensure that the proper engagement type is determined in advance.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

There were no prior findings.

**STATEWIDE
AGREED-UPON PROCEDURES**

THE HALFORD FIRM, PLLC

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To Mrs. Beatrice Carter
The East Carroll Parish Clerk of Court and
the Louisiana Legislative Auditor

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

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

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

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

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

The Halford Firm, PLLC

Vicksburg, Mississippi
January 29, 2018

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures

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

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

No written procedures that address budgets.

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.

The clerk's written procedures regarding purchasing only stated that no purchase would be made without permission.

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

No written policies that address disbursements.

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

No written policies that address receipts.

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

No written policies that address payroll/personnel.

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

No written policies that address contracting.

g) **Credit Cards** (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

No written policies that address credit cards, etc.

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

No written policies that address travel and expense reimbursement.

-continued

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures - continued

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-11121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirements that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

No written policies that address ethics.

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

Written procedures regarding debt service were not applicable because the Clerk does not have any credit cards or debt.

Management's Response:

Despite the lack of written policies and procedures, the East Carroll Parish Clerk of Court has policies and procedures that are understood by the employees responsible for performing them.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The Clerk does not have a board/committee.

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

There are no minutes because the Clerk does not have a board; however, the Clerk does monitor the budget-to-actual financial information. The Clerk did not have a deficit.

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

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures – continued

Board (or Finance Committee, if applicable) - continued

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

There are not any minutes.

Bank Reconciliations

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

A complete listing of bank accounts was obtained.

4. Using the listing provided by management, select all of the entity's bank account (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

The selected reconciliations were prepared for the operating account monthly, but the "Registry of the Court" accounts were not reconciled monthly. Activity in the Registry of the Court accounts is limited to the collection of interest. Any activity other than interest income requires a court order.

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

The reconciliations are reviewed by the Clerk, but she does have involvement in the transactions.

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

Transactions outstanding for more than six months were 8 insignificant checks, totaling \$502.14.

Management's Response:

Bank Reconciliation – Because there are so few transactions in the Registry of the Court accounts a yearly reconciliation is appropriate. Transactions only occur with a court order and these are monitored by the Clerk.

Old outstanding items – Due to the small dollar amount of checks, no formal research has been done.

-continued

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures - continued

Collections

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

There is only one collection location which is the Clerk's office in the Parish Courthouse.

6. Using the listing provided by management, select all of the entity's cash collection locations (if 5 locations or less) or one third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

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

1) *The Clerk has an errors and omission policy, but does not have employee dishonesty coverage.*

2) *The bank reconciliation is prepared by the contract bookkeeper who does not have access to cash.*

3) *All cash is held in a single drawer used by all employees.*

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

A formal process exists – the details of each collection, including revenue source, are recorded in the general ledger in the computer program that produces the receipts for the remittance.

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

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

Deposits were made daily and completely supported by documentation.

-continued

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONSE**

Written Policies and Procedures - continued

Collections - continued

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

A receipt that contains all relevant data (amount, date, revenue code, vendor name) is printed for every collection. Printing the receipt also records it in the general ledger.

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

The agency uses a system that has a process to determine that collections are complete, but the procedures have not been formally documented or committed to written form.

Management's Response:

Even though the procedures are not in written form, The East Carroll Parish Clerk of Court has policies and procedures that are understood and complied with by the employees.

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

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

Management provided access to the general ledger system that included all disbursements.

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

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

-continued

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures - continued

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

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Procedures for processing disbursements do not include requisitions, purchase orders or receiving reports. Each transaction processed was supported by an invoice or similar supporting documentation, with approval by the Clerk on all purchases.

Management's Response:

Since the amount of transactions are so small the Clerk is capable of monitoring disbursements without the need for requisition, purchase orders, or receiving reports. The Clerk reviews invoices or supporting documentation before any disbursement is made.

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

The Clerk does not have a written policy manual and there is no formal vendor list.

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

The Clerk makes the final authorization on all disbursements and only she has signatory authority. All transactions are recorded by the contract bookkeeper.

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

Unused checks are maintained in a locked location with the Clerk being the only person with access to them. The Clerk is also the only person with signatory authority.

-continued

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures - continued

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

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

The Clerk does not use signature stamps or machines.

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

The Clerk does not have any credit cards, fuel cards, or P-cards, but does have one bank card. The Clerk maintains possession of the card.

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

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

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

There is only one bank debit card. The only card holder is the Clerk.

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

The only card is a bank debit card and there were no finance charges or late fees related to it.

-continued

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures - continued

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

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

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

- An original itemized receipt (i.e. identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g. purchase order, written authorization.)

All transactions contained documentation that identifies the business purpose and an itemized receipt for the disbursement. There is no other documentation required.

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

There were no transactions on the bank debit card that required compliance with the Public Bid Law. The clerk had no written policies or procedures related to purchases/disbursements during the period.

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

For the items tested there was no evidence of violations of Article 7, Section 14.

-continued

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures – continued

Travel and Expense Reimbursement

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

Management provided access to the general ledger that included all disbursements.

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

The agency did not have written policies related to travel and expense reimbursement.

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

During the period under review, there were only two travel or expense reimbursements; consequently, both were selected for testing.

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

The Clerk did not have written policies, however none of the reimbursement exceeded the GSA rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g. authorization for travel, conference brochure, certificate of attendance)

The transactions were supported by adequate documentation that demonstrated business purpose.

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**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures – continued

Travel and Expense Reimbursement - continued

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

None of the reimbursements received represented a loan, pledge, or donation of funds, credit, property, or things of value.

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

Both of the transactions involved travel by the Clerk; therefore, there was not anyone else to review or approve the expenditure.

Management's Response:

Due to the small amount of travel and expense reimbursement incurred by the office the expense is controlled adequately without written procedures.

Contracts

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

The list of contracts was provided by the Clerk.

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

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

Arrangements were documented in a formal written contract.

**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures – continued

Contracts - continued

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - If no, obtain supporting contract documentation and report whether entity solicited quotes as a best practice.

No contracts were subject to the Louisiana Public Bid Law.

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

None of the contracts were amended or had change orders.

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

The invoice and related payments were consistent with the contract terms.

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

Not applicable. The Clerk of Court doesn't have a board.

Payroll and Personnel

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

Agency provided a list of all employees with their authorized salaries.

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**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures – continued

Payroll and Personnel - continued

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

The employees were paid in accordance with the terms and conditions of the data in their personal file.

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

There were no changes in salaries in the current year.

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

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

All employees' daily attendance was documented. Only three employees earned leave time and their leave time was documented.

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

The Clerk documented the attendance and leave time of the selected employees in writing.

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

Written documentation of leave records was maintained on all three employees who earn leave time.

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**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures – continued

Payroll and Personnel - continued

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

There were no employees terminated during the current year.

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

The East Carroll Clerk of Court is submitting all payroll tax returns, retirement reports, and making all required payment timely.

Ethics (excluding nonprofits)

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

All of the employees selected had taken an ethics course in the current year.

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

No violations were reported in the current year.

Debt Service (excluding nonprofits)

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

Not applicable, there is no debt issued or outstanding.

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**EAST CARROLL PARISH CLERK OF COURT
STATE WIDE AGREED-UPON PROCEDURES,
SCHEDULE OF PROCEDURES, RESULTS AND MANAGERMENTS' RESPONSE**

Written Policies and Procedures – continued

Debt Service (excluding nonprofits) - continued

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

Not applicable, there is no debt issued or outstanding.

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

Not applicable, there is no debt issued or outstanding.

Other

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

No misappropriations were identified.

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

The notice was posted on the premises.

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

No exceptions were identified.