

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

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

JUNE 30, 2018



**EAST FELICIANA PARISH CLERK OF COURT
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WITH SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2018**

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CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2018**

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Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental-type activities of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements as listed in the table of contents. I have also audited each fiduciary fund type of the East Feliciana Parish Clerk of Court, as of and for the year ended June 30, 2018, as displayed in the Clerk of Court's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities as well as each fiduciary fund type of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 13 to the financial statements, the East Feliciana Clerk of court adopted the provisions of GASB Statement 75, *Accounting and Financial Reporting for Postretirement Benefits Other than Pensions*. My opinion is not modified with respect to this matter.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule and schedules of change in OPEB liability and related ratios, employer's share of net pension liability and employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

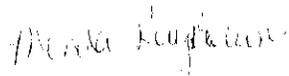
Other Matters – Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements. The combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management and was derived from and relates directly to the

underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements of to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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



Minda B. Raybourn CPA
Franklinton, LA
December 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

The purpose of the Management's discussion and analysis (MD&A) is to introduce the basic financial statements and provide an analytical overview of the Clerk of Court's financial activities. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements beginning on page 9.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

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

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

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

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

The government-wide financial statements can be found on pages 14-15 of this report.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

focus with fund statements is to provide a distinct view of the Clerk of Court's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. The governmental funds provide a reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints. These statements can be found on pages 17-20 of this report.

Fiduciary Funds. The Clerk of Court is the trustee, or fiduciary, over assets which can only be used for the trust beneficiaries; these include advance deposits, registry of court and indigent transcript funds. The activity of these funds are reported separately in the statement of fiduciary net position on page 21 and schedule of changes in fiduciary net position found in supplementary information. These activities are excluded from government-wide and fund financial statements because the assets of fiduciary funds cannot be used to finance operations of the Clerk.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The index of the notes is found on page 23 with the actual notes beginning immediately afterwards.

FINANCIAL ANALYSIS OF THE CLERK OF COURT

The net assets increased by \$321,674 from (\$360,356) to (\$50,678). The net position is negative as a result of the cumulative effects recognized in relation to post-employment benefits and the net pension liability.

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

**SUMMARY OF NET POSITION
GOVERNMENTAL ACTIVITIES**

	<u>2018</u>	<u>2017</u>
Assets		
Current assets	385,418	482,107
Investments	777,009	345,344
Capital assets, net	11,997	12,213
Total Assets	<u>1,174,424</u>	<u>839,664</u>
Deferred Outflows of Resource	150,319	301,198
Liabilities		
Current liabilities	43,792	27,058
Long-term liabilities	1,263,872	1,445,212
Total Liabilities	<u>1,307,664</u>	<u>1,472,270</u>
Deferred Inflows of Resources	55,762	28,950
Net Position		
Net Investment in capital assets	11,997	12,213
Unrestricted	(50,678)	(372,569)
Net Position	<u>(38,682)</u>	<u>(360,356)</u>

Total revenues increased by \$335,100 or 39%. Expenditures increased by \$28,083 or 3%.

A summary of changes in net position is as follows:

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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

	<u>2018</u>	<u>2017</u>
Revenues		
Charges for services	1,100,696	778,226
Grants	-	-
General Revenues	<u>86,617</u>	<u>73,987</u>
Total Revenues	1,187,313	852,213
Expenses		
Intergovernmental	44,060	28,435
General government	<u>821,579</u>	<u>809,121</u>
Total Expenses	865,639	837,556
Change in net position	321,674	14,657
Net position, beginning	(360,356)	(375,013)
Net position, ending	<u><u>(38,682)</u></u>	<u><u>(360,356)</u></u>

BUDGETARY HIGHLIGHTS

The Clerk received more in revenues than it anticipated in the year ended June 30, 2018, by \$534,502. At the same time, expenditures were \$43,954 or 5.65% more than budgeted amounts. Budgeted expenditures were more than the 5% statutory limit required by the Louisiana Local Government Budget Act.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Clerk's capital assets, net of accumulated depreciation at June 30, 2018 and 2017, was \$11,997 and \$12,213, respectively. There were additions of \$985 during the current year. Depreciation expense was recorded at \$1,200.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS, NET OF DEPRECIATI		
	<u>2018</u>	<u>2017</u>
Furniture	-	126
Equipment	11,997	12,087
Total	<u>11,997</u>	<u>12,213</u>

Long-Term Liabilities: Long-term obligations of the Clerk include obligations extending beyond one year of \$592,370 and \$622,962 at June 30, 2018 and 2017, respectively, in post-employment benefits, a decrease of \$30,592. The change is a result of the annual required contribution based on actuarial estimations less contributions made during the year. It is also the result of the Clerk's adoption of GASB Statement 75, *Accounting and Financial Reporting for Postretirement Benefits Other than Pensions*.

Also reported is the Clerk's proportionate share of pension liability totaling \$671,502 and \$822,369 at June 30, 2018 and 2017, respectively. This is a decrease of \$150,867. This liability is being reported in accordance with GASB Statement No. 68 implemented in the current year. These amounts are also based on actuarial estimates.

REQUEST FOR INFORMATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EAST FELICIANA PARISH CLERK OF COURT
 CLINTON, LOUISIANA
 STATEMENT OF NET POSITION
 JUNE 30, 2018

ASSETS

Cash and cash equivalents	\$	353,644
Investments		777,009
Receivables		31,774
Capital assets, net		<u>11,997</u>
Total Assets		<u>1,174,424</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to pensions		<u>150,319</u>
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LIABILITIES

Accounts payable		5,368
Payroll deductions payable		33,972
Due to other governmental agencies		4,452
Other post-employment benefits payable		592,370
Net pension liability		<u>671,502</u>
Total Liabilities		<u>1,307,664</u>

DEFERRED INFLOWS OF RESOURCES

Related to pensions		19,066
Related to other post employment benefit amounts		<u>36,696</u>
Total Deferred Inflows of Resources		<u>55,762</u>

NET POSITION

Net investment in capital assets		11,997
Unrestricted		<u>(50,678)</u>
Total Net Position		<u>(38,682)</u>

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

<u>Functional/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 821,579	\$ 1,074,112	\$ -		\$ 252,533
Intergovernmental	44,060	26,584	-	-	(17,477)
Total Governmental Activities	865,639	1,100,696	-	-	235,057
General Revenues					
					9,385
					29,721
					47,511
					86,617
					321,674
					(360,356)
					(38,682)

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

FUND FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

ASSETS

Cash and cash equivalents		353,644
Investments		777,009
Receivables:		
Accounts, net		31,774
	Total Assets	1,162,428

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable		5,368
Payroll deductions payable		33,972
Due to other governmental agencies		4,452

Total Liabilities 43,792

Fund Balances:

Unassigned		1,118,636
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Total Liabilities and Fund Balances 1,162,428

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total Fund Balances - Total Governmental Funds	\$ 1,118,636
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation, reported on the Statements of Net Position.	11,997
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Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the Clerk's governmental activities:

Other post-employment benefits	(592,370)
Net pension liability	(671,502)

Deferred outflows and inflows of resources related to pensions and other post retirement employee benefits are applicable to future periods, and therefore, are not reported in the governmental funds.

Deferred outflows of resources related to pensions	150,319
Deferred inflows of resources related to pensions	(19,066)
Deferred inflows of resources related to other post retirement benefits	(36,696)

Total Net Position - Governmental Activities	(38,682)
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The accompanying notes are an integral part of the basic financial statements.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

REVENUES

Intergovernmental revenues	\$	26,584
Charges for services:		
Court costs and fees		441,319
Certified copies and data processing		212,412
Licenses		1,688
Recording fees		418,693
Grants		-
Interest earned		9,385
Other revenues		<u>29,721</u>
Total Revenues		1,139,802

EXPENDITURES

General government		<u>821,680</u>
Change in Fund Balances		318,122
Fund Balances, beginning		<u>800,514</u>
Fund Balances, ending		<u><u>1,118,636</u></u>

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Net Change in Fund Balances - Total Governmental Funds	\$	318,122
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay which is considered expenditures on statement of revenues, expenditures, and changes in fund balance.

Depreciation Expense	985	
	<u>(1,200)</u>	(216)

Non employer's contributions to the clerk of court pension plan		47,511
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Some of the items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Increase in other post-retirement benefits		(6,104)
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Pension expense not requiring the use of current economic resources and therefore, not reported as a fund expenditure

		(37,639)
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Change in Net Position - Governmental Activities		321,674
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		<u><u>321,674</u></u>
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The accompanying notes are an integral part of the basic financial statements.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

ASSETS

Cash and cash equivalents	\$ 1,246,186
Total Assets	<u>\$ 1,246,186</u>

NET POSITION

Held in trust for others	<u>\$ 1,246,186</u>
Total Net Position	<u>\$ 1,246,186</u>

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

NOTES TO FINANCIAL STATEMENTS

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

INTRODUCTION

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The financial reporting entity as defined in GASB Statement No. 14, consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For financial reporting purposes, the East Feliciana Parish Police Jury is considered the financial reporting entity for East Feliciana Parish. The Clerk, therefore, is considered a component unit of the East Feliciana Parish Police Jury. The accompanying financial statements, however, present only the transactions of the East Feliciana Parish Clerk of Court.

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

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Eliminating Internal Activity

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

Capitalizing Assets

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

Program Revenues

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

Indirect Expenses

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

Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Restricted Net Position

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

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

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

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

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

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

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

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

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

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

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

Budgets and Budgetary Accounting: The Clerk adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. Appropriations lapse at year-end. There was one amendment made to the budget during the fiscal year ended June 30, 2018.

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

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

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

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

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

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

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

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

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

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

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

Deferred Outflows/Inflows of Resources: In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2018, the Clerk of Court's deferred outflows and inflows of resources are attributable to its pension plan and postemployment benefit obligation.

Pension Plan: The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer schedules in accordance with GASB No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* which provides for the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

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Non-spendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

NOTE 2 – CASH AND CASH EQUIVALENTS

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

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Petty Cash	204	-
Interest Bearing		
Demand Deposits	353,441	207,199
LAMP, Inc.	<u>430,745</u>	<u>788,988</u>
Total	<u><u>784,390</u></u>	<u><u>996,186</u></u>

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

All deposits of the Clerk are covered by insurance (FDIC) or collateralized with securities that are held by and in the entity's name or registered in the entity's name. Even though the pledged securities are considered uncollateralized under the provision of GASB Statement 3, La R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

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

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

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

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

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

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

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

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

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

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NOTE 3 – INVESTMENTS

Investments at June 30, 2018, which are fully insured, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Certificate of Deposit				
Feliciana Bank & Trust	50,000	50,000	8/12/2018	1.25%
Highlands Bank	245,344	245,344	9/9/2018	1.05%
Feliciana Bank & Trust	100,000	100,000	2/14/2019	1.25%
Feliciana Bank & Trust	200,000	200,000	2/14/2018	0.55%
	<u>595,344</u>	<u>595,344</u>		

Of the amount reported, \$345,344 is held by governmental funds and \$250,000 is held by agency funds. Accrued interest receivable on the certificate of deposits held by the governmental funds was recorded at \$920.

NOTE 4 – RECEIVABLES

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

Accounts	\$ 31,774
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NOTE 5 – CAPITAL ASSETS

Capital asset activity of governmental activities for the year ended June 30, 2018, was as follows:

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	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, being depreciated				
Equipment	75,665	985	-	76,650
Less: accumulated depreciation	63,578	1,075	-	64,653
Equipment, net	12,087	(90)	-	11,997
Furniture	87,064			87,064
Less: accumulated depreciation	86,938	126		87,064
Furniture, net	126	(126)	-	0
Net Capital Assets	12,213	(216)	-	11,997

The clerk purchased a scanner for \$985. Depreciation expense was recorded for \$1,200.

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The payables of the general fund are as follows:

Class of Payable	General Fund	Fiduciary funds
Trade payables	5,368	-
Due to other governmental agencies	4,452	-
Payroll liabilities	33,972	-
Other payables	-	1,246,186
Total	43,792	1,246,186

NOTE 7 – INTER-GOVERNMENTAL TRANSACTIONS

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

State supplement	\$ 23,400
La. Dept. of Elections	3,234
Total	<u>\$26,584</u>

NOTE 8 – ON-BEHALF PAYMENTS

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

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NOTE 9 – LEASES

Operating Leases. The Clerk had a lease for mailing equipment that was initially executed in August of 2004. There is also a lease on copier equipment. The amount paid for equipment rentals during the current year was \$5,748. There are no capital leases.

NOTE 10 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The East Feliciana Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The East Feliciana Parish Clerk of Court’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical, dental, vision, and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 12 years of service; or, attainment of age 60 and 12 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	9
	14

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Total OPEB Liability

The Clerk's total OPEB liability of \$592,370 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.58% annually
	3.87% annually
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 622,962
Changes for the year:	
Service cost	4,139
Interest	22,450
Differences between expected and actual experience	(14,061)
Changes in assumptions	(27,877)
Benefit payments and net transfers	(15,243)
Net changes	(30,592)
Balance at June 30, 2018	\$ 592,370

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Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Total OPEB liability	\$ 695,356	\$ 592,370	\$ 510,726

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 543,522	\$ 592,370	\$ 653,942

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

For the year ended June 30, 2018, the Clerk recognized OPEB expense of \$17,536. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (12,304)
Changes in assumptions		(24,392)
Total	\$ -	\$ (36,696)

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

Years ending June 30:	
2019	(5,242)
2020	(5,242)
2021	(5,242)
2022	(5,242)
2023	(5,242)
Thereafter	(10,485)

NOTE 11 – PENSION PLAN

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

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

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

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

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duties shall be paid monthly benefits equal to 3% of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$35 for each year of credited service or 80% of his monthly average final compensation, whichever is less.

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

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

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

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

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

Upon termination of employment at the end of the specified period of participation, a participant may receive, at his option, a lump sum payment. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from DROP equal to the payments made to that

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fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal methods of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

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

Contributions: Contribution requirements are actuarially determined each year. For the year ending June 30, 2018, the Clerk's rate was 19% of annual covered payroll while the employees contributed 8.25%. In addition, the Louisiana Legislature passed R.S. 11:1562(C) which allows the Clerk of Court pay the Clerk's operating funds all or any portion of the employee required contributions which would otherwise be deducted from the employee's salary. The Clerk elected to pay 100% of all retirement system contributions to the Louisiana Clerk of Court Retirement and Relief Fund. The Clerk of Clerk's contributions to the system for the years ending June 30, 2018 \$108,799 (normal employer's portion of \$75,856 and employee portion paid by the Clerk of \$32,943),

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Contributions from non-employer contributing entities were \$47,511.

Pension Liabilities, Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions. At June 30, 2018, the Clerk reported a liability of \$671,502 for its proportionate share of the Fund's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Clerk's proportion at that date was .443841%.

Pension expense of \$146,859 was recognized for the year ended June 30, 2018. Deferred outflows and inflows of resources related to pensions were reported from the following sources:

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	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	20,336	17,621
Changes of assumptions	29,286	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	(17,719)	1,445
Net differences between projected and actual earnings on plan investments	9,196	-
Employer contributions subsequent to measurement date	109,221	-
Total	150,320	19,066

Deferred outflows of resources of \$109,221 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2018	27,883
2019	38,823
2020	17,521
2021	(24,101)
Total	60,127

Actuarial Methods and Assumptions

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

The actuarial assumptions used in the June 30, 2017 valuation (excluding mortality) were based on the assumptions used in the June 30, 2017 actuarial funding valuation, and were initially designed to match, to the extent possible, those used by the prior actuary for the fiscal 2010 valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

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Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	5.00%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2017-5 years 2016-5 years 2015-5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed to be substantively automatic.

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

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

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 7.60% for the year ended June 30, 2017.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2017 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.25%
Domestic Equity:		
Large cap domestic equity	21.00%	5.25%
Non-large cap domestic equity	7.00%	5.00%
International Equity:		
Large cap international equity	14.00%	5.25%
Small cap international equity	6.50%	5.25%
Emerging markets	6.50%	7.25%
Real Estate	10.00%	4.50%
Master Limited Partnerships	5.00%	7.00%
Hedge Funds	10.00%	3.00%
Total	<u>100.00%</u>	

Discount Rate

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

Sensitivity to Changes in Discount Rate

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

1% decrease	6.00%	1,027,639
Current discount rate	7.00%	671,502
1% increase	8.00%	369,154

Payables to the Pension Plan

The Clerk of Court's payable to the LACRF at June 30, 2018 was \$8,577 as the required contribution owed for the 2nd quarter of the 2018 calendar.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LACRF 2017 annual financial report at www.laclerksofcourt.org

NOTE 12 – DEFERRED COMPENSATION PLAN

All of the employees of the Clerk are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$18,500 per year) to the plan on a pre-tax basis. The contributions are withheld from the employee’s paycheck and the Clerk matches up to \$300 per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each payday where they are deposited to an account in the employee’s name. The Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2018, the Clerk’s matching funds totaled \$16,810.

NOTE 13-NEW ACCOUNTING PRONOUNCEMENT

In June 2015, the Governmental Standards Board (GASB) approved Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 were implemented by the Clerk during the year ended June 30, 2018. The Statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

	<u>Governmental Activities</u>
Net Position, June 30, 2017, as previously reported	63,359
Change in accounting principle:	
Net effect of implementing GASB Statement No. 75	(423,715)
Net position, June 30, 2017, as restated	(360,356)

NOTE 14 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 15 – LITIGATION

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

NOTE 16 – SUBSEQUENT EVENTS

There were no events between the close of the year through December 29, 2018, the date on which the statements were available to be issued, that would materially impact these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<u>REVENUES</u>				
Intergovernmental revenues	\$ 26,200	\$ 26,200	26,584	\$ 384
Charges for services:				
Court costs and fees	375,900	375,900	441,319	65,419
Certified copies and data processing	22,500	22,500	212,412	189,912
Licenses	2,000	2,000	1,688	(312)
Recording fees	175,000	175,000	418,693	243,693
Grants	-	-	-	-
Interest earned	2,500	2,500	9,385	6,885
Other revenues	1,200	1,200	29,721	28,521
	<hr/>			
Total Revenues	605,300	605,300	1,139,802	534,502
 <u>EXPENDITURES</u>				
General government	777,726	777,726	820,695	(42,969)
Capital Outlay	-	-	985	(985)
	<hr/>			
Total Expenditures	777,726	777,726	821,680	(43,954)
Change in Fund Balances	(172,426)	(172,426)	318,122	578,456
Fund Balances, beginning	800,514	800,514	800,514	-
	<hr/>			
Fund Balances, ending	628,088	628,088	1,118,636	578,456
	<hr/>			

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
Schedule of Changes in Net OPEB Liability and Related Ratios for the
For the Year Ended June 30, 2018**

Total OPEB Liability		
Service cost	\$	4,139
Interest		22,450
Changes of benefit terms		-
Differences between expected and actual experience		(14,061)
Changes of assumptions		(27,877)
Benefit payments		(15,243)
Net change in total OPEB liability		<u>(30,592)</u>
Total OPEB liability - beginning		<u>622,962</u>
Total OPEB liability - ending (a)	\$	<u>592,370</u>
Covered-employee payroll		372,516
Net OPEB liability as a percentage of covered-employee payroll		159.02%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2018.

Changes of Assumptions. The discount rate as of 6/30/2017 was 3.58% and it changed to 3.87% as of 6/30/2018.

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

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2018**

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liab (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liab (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liab (Asset) as a %age of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Pension as a %age of the Total Pension Liability</u>
2018	0.44384%	\$ 671,502	\$ 400,643	167.61%	392.40%
2017	0.44453%	\$ 822,369	\$ 406,808	202.15%	287.15%
2016	0.43649%	\$ 654,744	\$ 401,958	162.89%	357.20%
2015	0.43751%	\$ 641,125	\$ 397,470	161.30%	79.37%

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

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED JUNE 30, 2018**

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	\$75,856	\$75,856	\$0	\$400,643	18.93%
2017	\$76,359	\$76,359	\$0	\$406,808	18.77%
2016	\$89,905	\$76,754	\$13,151	\$401,958	19.10%
2015	\$68,597	\$75,011	(\$6,414)	\$397,470	18.87%

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

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON LOUISIANA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2018**

NOTE 1-BUDGETARY BASIS OF ACCOUNTING

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

NOTE 2 -PENSION

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

Changes of Assumptions. Amounts reported in fiscal year June 30, 2017, by the Louisiana Clerks' of Court Retirement and Relief Fund reflect no changes of benefit assumptions.

SUPPLEMENTAL INFORMATION

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

ASSETS

Cash and cash equivalents	\$ 1,246,186
Total Assets	<u>\$ 1,246,186</u>

NET POSITION

Held in trust for others	<u>\$ 1,246,186</u>
Total Net Position	<u>\$ 1,246,186</u>

See Independent Auditor's Report

EAST FELICIANA PARISH CLERK OF COURT
 CLINTON, LOUISIANA
 SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2018

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
Additions			
Interest earned	505	7,973	8,478
Suits and successions	494,813	-	494,813
Total Additions	495,318	7,973	503,291
Deductions			
Clerk of Court's costs	303,133	-	303,133
Interest paid	730	-	730
Recorder fees	36,597	-	36,597
Settlement to litigants	49,418	20,745	70,164
Attorney, curator and notary fees	15,078	-	15,078
Sheriff's fees	18,985	-	18,985
Judges/Parish	14,751	-	14,751
Other reductions	23,665	-	23,665
Total Deductions	462,357	20,745	483,103
Change in Net Position	32,961	(12,773)	20,188
Net Position, beginning of year	616,569	609,429	1,225,998
Net Position, end of year	649,530	596,656	1,246,186

See Independent Auditor's Report

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED JUNE 30, 2018**

Agency Head

David Dart
Clerk of Court

Purpose	Amount
Salary	\$ 111,954
Supplemental pay	22,800
Expense allowance	13,280
Benefits - retirement	39,823
Benefits - Medicare	1,928
Benefits - deferred compensation	9,000
Benefits - group insurance	15,343
Travel:	
Auto allowance	21,838
Meals	1,397
Lodging	2,630
Parking	20
Membership fees	2,528
Reimbursements for office expenses	<u>2,495</u>
Total Compensation, Benefits and Other Payments	<u><u>245,038</u></u>

See Independent Auditor's Report

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities and each fiduciary fund of the East Feliciana Parish Clerk of Court, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 27, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Feliciana Parish Clerk of Court's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* that is listed as finding 2018-001 in the schedule of findings and responses.

East Feliciana Clerk of Court's Response to Findings

East Feliciana Clerk of Court's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The East Feliciana Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

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



Minda B. Raybourn CPA
Franklinton, La
December 29, 2018

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

I have audited the financial statements of the East Feliciana Parish Clerk of Court as of and for the year ended June 30, 2018, and have issued my report thereon dated December 29, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2018, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

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

B. Federal Awards

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

Section IV Management Letter

None

**EAST FELICIANA PARISH CLERK OF COURT
CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

Finding 2018-001 Noncompliance with Local Government Budget Act

Criteria:

The Clerk must comply with certain provisions of the Local Government Budget Act set forth in state law, LSA R.S. 39:1301-1314. The Act contains various budget requirements for the General Fund and special revenue funds regarding public notification and disclosure, and requires budget to be amended when:

- 1) Total revenues, or other sources plus project revenue and other sources for the remainder of the year are failing to meet total budgeted expenditures and other sources by five percent or more.
- 2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are failing to meet total budgeted expenditures and other uses by five percent or more.
- 3) Actual beginning fund balance within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Condition:

For the fiscal year ended June 30, 2018 in the general fund, actual expenditures and other uses of funds were over budget by 5.65% or \$43,954.

Effect:

If the budget is not monitored on a monthly basis and amended as required and if expenditures exceed available funds, an entity is in violation of the Local Government Budget Act.

Cause:

The external accountant had a family member with a serious illness. As a result, the budget was not amended before the end of the year.

Recommendation:

The Clerk needs to insure before year end that the budget is amended properly for all revenue and transfer items.

Management Response:

The Clerk concurs with the recommendation.

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

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Compliance and Internal Control Material to Federal Awards

None

Section III Management Letter

N/A

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

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

Member
AICPA

Member
LCPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 29, 2018

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

I have performed the procedures enumerated below, which were agreed to by East Feliciana Clerk of Court (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and

purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

- c) *Disbursements*, including processing, reviewing, and approving
- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions noted.

Board or Finance Committee-The Clerk of Court is elected. This area is not applicable.

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

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

Bank Reconciliations

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

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Collections

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

A listing of deposit sites where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete was obtained.

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

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

The Clerk has a collection location and the cash drawer is shared with multiple employees.

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

The person responsible for collecting cash is not responsible for preparing/making deposits. A different person is responsible for reconciling collection documentation to the deposit.

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

The person responsible for collecting cash is not responsible for posting collection entries to the general ledger.

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

The person responsible for reconciling cash collections to the general ledger by revenue source and/or agency fund additions is not responsible for collecting cash.

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

The person responsible for cash are covered by a bond.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

System reports were traced to the deposit slip. The deposit slip totals were traced to the actual deposit per the bank statement. Two deposits were made within two business days from the receipt of collection. The actual deposits were traced to the general ledger.

Management Response: The Clerk of Court does not have sufficient large deposits to justify the additional expense of making daily deposits. The funds are safeguarded adequately until the deposit is made.

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

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

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

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

The Chief Deputy and/or Clerk of Court has the authority to initiate and approve purchase requests and can order/ make the purchase.

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

The Clerk of Court process and approves payments.

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

The Clerk of Court has the authority to add/modify vendor files.

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

Signed checks are mailed daily by another employee or picked up by the postal service at the office.

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

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

No exceptions noted.

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

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards -This procedures is not applicable as the Clerk of Court does not use credit cards, debit cards, fuel cards, or P-cards.

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

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

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

The listing of travel and travel related expense reimbursements and management's representation that the list is complete were obtained.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

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

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

No exceptions noted.

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

The Clerk is elected and contracts are not subject to approval by a board or governing body.

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

No applicable.

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

No exceptions noted.

Payroll and Personnel

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

A listing of employees and officials employed and management's representation that the listing is complete was obtained.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

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

No exceptions noted.

Debt Service-This area is not applicable. The Clerk of Court has not debt.

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

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

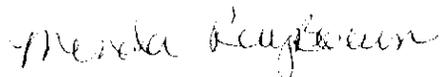
No misappropriations occurred. Management's representation was obtained.

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

No exceptions noted.

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

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

A handwritten signature in cursive script that reads "Menda Kaufman".

Franklinton, LA
December 29, 2018