

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**

Audited Financial Statements  
and Independent Auditors' Report

For the Year Ended June 30, 2019

*Royce T. Scimemi, CPA, APAC*  
Oberlin, LA

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**INDEPENDENT AUDITORS' REPORT**

December 31, 2019

**HONORABLE GERALD HARRINGTON**  
**ALLEN PARISH CLERK OF COURT**  
Oberlin, Louisiana

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

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

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

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information Allen Parish Clerk of Court as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension liability information on pages 3-9 and 37-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

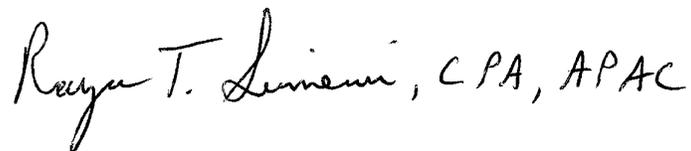
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Clerk of Court's basic financial statements. The combining statement of fiduciary assets and liabilities – agency funds, the combining statement of changes in fiduciary assets and liabilities – agency funds, and the schedule of compensation, benefits and other payments to chief executive officer (“other supplementary information”) are presented on pages 42-44 for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is 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*, we have also issued our report dated December 31, 2019, on our consideration of the Allen Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Allen Parish Clerk of Court's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC



**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**

Within this section of the Allen Parish Clerk of Court's (Clerk of Court) annual financial report, the Clerk of Court's management is pleased to provide this narrative discussion and analysis of the financial activities of the Clerk of Court for the fiscal year ended June 30, 2019. The Clerk of Court's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Financial Highlights**

- The Clerk of Court's assets and deferred outflows of resources exceeded the Clerk's liabilities and deferred inflows of resources by the amount of \$152,704 (net position) for the fiscal year ended June 30, 2019. By comparison, for the fiscal year ended June 30, 2018, the Clerk of Court's assets and deferred outflows of resources exceeded the Clerk's liabilities and deferred inflows of resources by the amount of \$16,658.
- Total revenues of \$996,458 exceeded total expenses of \$860,412, which resulted in a \$136,046 surplus for the fiscal year ended June 30, 2019. In the prior year, total revenues of \$977,866 exceeded total expenses of \$802,249, which resulted in a \$175,437 surplus for the fiscal year ended June 30, 2018.
- Total net position is comprised of the following:
  - (1) Capital assets, net of related debt, of \$83,226 and \$80,856 for fiscal years ended June 30, 2019 and June 30, 2018, respectively, include furniture and equipment, net of accumulated depreciation.
  - (2) Unrestricted net position (deficits) of \$69,478 and (\$64,198) for fiscal years ended June 30, 2019 and June 30, 2018, respectively.
- The Clerk of Court's governmental funds reported a total ending fund balance of \$691,521 this year. This compares to the prior year ending fund balance of \$560,692 reflecting an increase of \$130,829 during the current year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$691,521 or 85% of total General Fund expenditures and 73% of total General Fund revenues.
- Overall, the Clerk of Court's office continues to maintain a strong financial position and is working to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Clerk of Court's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

financial statements, and (3) notes to the basic financial statements. The Clerk of Court also includes in this report additional information to supplement the basic financial statements.

**Government-Wide Financial Statements**

The Clerk of Court's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Clerk of Court's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Clerk of Court's assets and liabilities as well as deferred outflows of resources and deferred inflows of resources, with the difference between the assets and deferred inflows and the liabilities and deferred inflows being 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 as a whole is improving or deteriorating. Evaluation of the overall health of the Clerk of Court's office would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Clerk of Court's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Clerk of Court's distinct activities or functions on revenues provided by the Clerk of Court's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Clerk of Court that are principally supported by fees for suit filings and recording legal documents. Governmental activities include providing services to the Thirty-Third Judicial District Court and the general public.

The government-wide financial statements are presented on pages 12-13 of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Clerk of Court uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Clerk of Court's most significant fund, rather than the Clerk of Court as a whole.

The Clerk of Court uses governmental funds and fiduciary funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Clerk of Court's governmental fund, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year.

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15-18 of this report.

*Fiduciary funds* are reported in the fund financial statements and report fees and charges held on deposit pending court action and other legal events. The Clerk of Court only reports agency-type fiduciary funds.

The basic agency fund financial statement is presented on page 19 of this report.

**Notes to the basic financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Clerk of Court's budget and net pension liability information. The budgetary comparison statement, the schedule of Clerk's proportionate share of net pension liability for the Clerk of Court Retirement and Relief Fund (COCRRF), and the schedule of Clerk's pension plan contributions to the COCRRF are included as "required supplementary information" for the general fund. This required supplementary information, found on pages 37-40 of this report, demonstrates compliance with the Clerk of Court's adopted final budget and provides data on the net pension liability.

As discussed, the Clerk of Court reports the general fund as the only major fund in the basic financial statements. The other supplementary information including the combining statement of fiduciary net assets and liabilities – agency funds, the combining statement of changes in fiduciary net assets and liabilities – agency funds, and the schedule of compensation, benefits and other payments to the chief executive officer are presented in a subsequent section of this report on pages 42-44.

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Financial Analysis of the Clerk of Court as a Whole**

The Clerk of Court's net position at fiscal year-end is \$152,704. The following table provides a summary of the Clerk of Court's net position (deficit):

	<u>2019</u>		<u>2018</u>	
	<u>Governmental Activities</u>	<u>Percentage</u>	<u>Governmental Activities</u>	<u>Percentage</u>
Assets:				
Current assets	\$708,518	89%	\$576,800	88%
Capital assets	<u>83,226</u>	<u>11</u>	<u>80,856</u>	<u>12</u>
Total assets	<u>791,744</u>	<u>100%</u>	<u>657,656</u>	<u>100%</u>
Deferred outflows of resources	<u>217,662</u>	<u>100%</u>	<u>167,148</u>	<u>100%</u>
Liabilities:				
Current liabilities	16,997	2%	16,108	2%
Long-term liabilities	<u>805,525</u>	<u>98%</u>	<u>760,112</u>	<u>98%</u>
Total liabilities	<u>822,522</u>	<u>100%</u>	<u>776,220</u>	<u>100%</u>
Deferred inflows of resources	<u>34,180</u>	<u>100%</u>	<u>31,926</u>	<u>100%</u>
Net assets:				
Investment in capital assets, net	83,226	55%	80,856	485%
Unrestricted	<u>69,478</u>	<u>45%</u>	<u>(64,198)</u>	<u>(385)%</u>
Total net position	<u>\$152,704</u>	<u>100%</u>	<u>\$ 16,658</u>	<u>100%</u>

The Clerk of Court continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratios for the Clerk of Court overall are 42:1 and 36:1 for the fiscal years ended June 30, 2019 and June 30, 2018, respectively. These ratios are strong.

Note that approximately 55% and 485% of the governmental activities' net position are tied up in capital assets for the fiscal years ended June 30, 2019 and June 30, 2018, respectively. The Clerk of Court uses these capital assets to provide services to the Thirty-Third Judicial District Court and the general public.

Overall, the Clerk of Court's office reports net position of \$152,704. This amount is \$136,046 larger than the previous year. The Clerk of Court's office has a net position of \$83,226 invested in capital assets, net of related debt. The Clerk of Court's overall financial position remained strong during fiscal year ended June 30, 2019.

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

The following table provides a summary of the Clerk of Court's changes in net position:

	<u>2019</u>		<u>2018</u>	
	<u>Activities</u>	<u>Percentage</u>	<u>Activities</u>	<u>Percentage</u>
Revenues:				
Program:				
Fees, fines and charges for services	\$926,203	93%	\$899,009	92%
Capital grants and contributions	15,500	2	24,285	2%
General:				
Non-employer pension contributions	53,123	5	53,781	6
Interest and investment earnings	<u>1,632</u>	<u>-</u>	<u>791</u>	<u>-</u>
Total Revenues	996,458	<u>100%</u>	977,866	<u>100%</u>
Program expenses:				
Court administration	<u>860,412</u>	<u>100%</u>	<u>802,429</u>	100%
Total Expenses	<u>860,412</u>	<u>100%</u>	<u>802,429</u>	<u>100%</u>
Change in net position	136,046		175,437	
Beginning net position	<u>16,658</u>		<u>(158,779)</u>	
Ending net position	<u>\$152,704</u>		<u>\$ 16,658</u>	

***Governmental Revenues***

The Clerk of Court is heavily reliant on fees, charges and commissions for services to support its operations. Fees, charges, and commissions for services provided 93% of the Clerk of Court's total revenues. Also, note that program revenues covered 109% of governmental operating expenses.

***Governmental Functional Expenses***

The total function of the Clerk of Court's office is providing services to the Thirty-Third Judicial District Court and the general public. Of the total cost of providing such services, depreciation on the furniture and equipment was \$31,459 or 4% of total expenses.

**Financial Analysis of the Clerk of Court's Funds**

***Governmental Funds***

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending fund balance of \$691,521, all of which was unassigned at June 30, 2019. The unassigned fund balance increased by \$130,829 from the previous year.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana  
Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2019**

***Major Governmental Fund***

The Salary Fund, which is the General Fund, is the Clerk of Court's only operating fund and the entire source of day-to-day service delivery. The General Fund's fund balance increased by \$130,829. In fiscal year ended June 30, 2019, revenues increased by \$19,250 while operating expenditures increased by \$49,122. Fees, charges, court costs, and commissions for services account for the largest change in funding for the Clerk of Court's Salary Fund operations. Fees, charges, court costs, and commissions for services in the Salary Fund increased by \$27,194 from \$899,009 last year to \$926,203 this year.

***Budgetary Highlights***

***The Salary Fund*** – When the original budget was adopted, it was anticipated that the total revenues were going to increase by \$129,180 in relation to the prior year final budget mainly due to an increase in fees, charges, court costs, and commissions for services. The original budget reflected an increase in total expenditures of \$18,740 in relation to the prior year final budget mainly due to an anticipated increase in personal services and related benefits. The budget was not amended during the year. The actual revenues exceeded the budgeted revenues by \$151,965 or 19% and the actual expenditures exceeded budgeted expenditures by \$42,837 or 5.6%.

**Capital Assets and Debt Administration**

***Capital Assets***

The Clerk of Court's investment in capital assets, net of accumulated depreciation as of June 30, 2019, and June 30, 2018, was \$83,226 and \$80,856, respectively. See Note C for additional information about changes in capital assets during the fiscal year and the balance at the end of the year.

The following table provides a summary of capital asset activity:

	<u>2019</u>	<u>2018</u>
Depreciable assets:		
Furniture and equipment	\$ <u>594,800</u>	\$ <u>564,015</u>
Total depreciable assets	594,800	564,015
Less accumulated depreciation	<u>511,574</u>	<u>483,159</u>
Book value-depreciable assets	\$ <u>83,226</u>	\$ <u>80,856</u>
Percentage depreciated	<u>86%</u>	<u>86%</u>
Book value-all assets	\$ <u>83,226</u>	\$ <u>80,856</u>

At June 30, 2019, the depreciable capital assets for governmental activities were 86% depreciated. The book value is at 14% of the original cost. The current year additions primarily consisted of computers, printers, and CIS records/website development.

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

***Long-Term Debt***

At the end of the fiscal year, the Clerk of Court had no long-term debt outstanding other than net pension liability totaling \$805,525 as discussed in Note D. During the year, the Clerk of Court neither issued nor retired any long-term debt.

**Contacting the Clerk of Court's Financial Management**

This financial report is designed to provide a general overview of the Clerk of Court's finances, comply with finance-related laws and regulations, and demonstrate the Clerk of Court's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Clerk of Court's office, Mr. Gerald Harrington, Clerk of Court at (337) 639-4351.

## **BASIC FINANCIAL STATEMENTS**

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

**Allen Parish Clerk of Court**  
**Statement of Net Position**  
**June 30, 2019**

		<u>Primary Government</u>
		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and certificates of deposit	\$	648,652
Accounts receivable		59,866
Capital assets, net		83,226
<b>Total Assets</b>		<u>791,744</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows		217,662
<b>Total Deferred Outflows of Resources</b>		<u>217,662</u>
<b>LIABILITIES</b>		
Accounts payable		7,665
Accrued liabilities		9,332
Net pension liability		805,525
<b>Total Liabilities</b>		<u>822,522</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related deferred inflows		34,180
<b>Total Deferred Inflows of Resources</b>		<u>34,180</u>
<b>NET POSITION</b>		
<i>Invested in capital assets, net</i>		83,226
<i>Unrestricted</i>		69,478
<b>Total Net Position</b>	<b>\$</b>	<b><u>152,704</u></b>

See accompanying notes.

**Allen Parish Clerk of Court**  
**Statement of Activities**  
**For the Fiscal Ended June 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Revenue</u>
		<u>Services</u>	<u>and</u>	<u>and</u>	<u>Primary Government</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>
					<u>Activities</u>
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
Court administration	\$ 860,412	\$ 926,203	\$ --	\$ 15,500	\$ 81,291
<b>Total Governmental Activities</b>	<u>\$ 860,412</u>	<u>\$ 926,203</u>	<u>\$ --</u>	<u>\$ 15,500</u>	<u>81,291</u>
		<b>General Revenues:</b>			
		<b>Revenues</b>			
					53,123
					1,632
					<u>54,755</u>
					<b>136,046</b>
					<u>16,658</u>
					<b>\$ 152,704</b>

See accompanying notes.

**FUND FINANCIAL STATEMENTS  
(FFS)**

**Allen Parish Clerk of Court**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2019**

		<u>General Fund</u>
<b>ASSETS</b>		
Cash and certificates of deposit	\$	648,652
Accounts receivable		<u>59,866</u>
<b>Total Assets</b>		<b>708,518</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Aggregated deferred outflows		--
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$</b>	<b><u>708,518</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$	7,665
Accrued liabilities		<u>9,332</u>
<b>Total Liabilities</b>		<b>16,997</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Aggregated deferred inflows		--
<b>Total Liabilities and Deferred Inflows of Resources</b>		<b><u>16,997</u></b>
<b>FUND BALANCE</b>		
Unassigned		<u>691,521</u>
<b>Total Fund Balance</b>		<b>691,521</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$</b>	<b><u>708,518</u></b>

See accompanying notes.

**Allen Parish Clerk of Court**  
**Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position**  
**June 30, 2019**

Total Fund Balance - Governmental Fund	\$	691,521
Pension related changes in net pension liability that are reported as deferred inflows of resources only on the Statement of Net Position and not on the governmental fund Balance Sheet.		(34,180)
Pension related changes in net pension liability that are reported as deferred outflows of resources only on the Statement of Net Position and not on the governmental fund Balance Sheet.		217,662
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance. These assets consist of:		
Furniture, Fixtures and Equipment	\$594,800	
Less: Accumulated Depreciation	<u>(511,574)</u>	83,226
Net pension liability reflected on the Statement of Net Position but not on the governmental fund balance sheet		(805,525)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>152,704</u></b>

See accompanying notes.

**Allen Parish Clerk of Court**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Fiscal Ended June 30, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Licenses and permits	\$ 3,684
Fees, charges, court costs, and commissions for services	178,237
Fees for recording legal documents	663,213
Fees for certified copies, copies, scans, and faxes	81,069
Intergovernmental	15,500
Interest income	1,632
<b>Total Revenues</b>	<b>943,335</b>
<b>Expenditures</b>	
Personal services and related benefits	636,142
Operating services	104,280
Materials and supplies	38,255
Capital outlays	33,829
<b>Total Expenditures</b>	<b>812,506</b>
<b>Excess (Deficiency) of Revenues Over</b>	
<b>(Under) Expenditures</b>	<b>130,829</b>
<b>Net Change in Fund Balance</b>	<b>130,829</b>
<i>Fund Balance at Beginning of Period</i>	<i>560,692</i>
<b>Fund Balance at End of Period</b>	<b>\$ 691,521</b>

See accompanying notes.

Allen Parish Clerk of Court

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and

Changes in Fund Balance to Statement of Activities

For the Fiscal Ended June 30, 2019

Total Net Change in Fund Balance - Governmental Fund	\$	130,829
Fixed assets expensed as capital outlay in governmental fund statements, capitalized as fixed assets in Statement of Net Position.		33,829
Depreciation expense reflected in entity wide statements, not reflected in governmental fund statements.		(31,459)
Contributions to retirement systems by non-employers		53,123
Pension expense is based on employer contributions in the government funds Statement of Revenues, Expenditures, and Changes in Net Position and actuarial calculated expense on the Statement of Activities.		(50,276)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>136,046</u></b>

See accompanying notes.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Statement of Fiduciary Assets and Liabilities - Agency Funds  
June 30, 2019**

ASSETS

Non-interest-bearing demand deposits	\$ 521,960
Interest-bearing demand deposits	341,006
Time deposits/Certificates of deposit	<u>201,901</u>
 TOTAL ASSETS	 <u>\$1,064,867</u>

LIABILITIES

Due to litigants and others	<u>\$1,064,867</u>
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See accompanying notes.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements  
June 30, 2019**

A. Summary of Significant Accounting Policies

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

The accounting and reporting policies of the Clerk of Court conform to generally accepted accounting principles as applied to governments and to the requirements of the industry audit guide, *Audits of State and Local Governments*. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Financial Reporting Entity

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

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

- a. Appointing a voting majority of an organization's governing body, and
  - (i) the ability of the police jury to impose its will on that organization, and/or
  - (ii) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- b. Organizations for which the police jury does not appoint a voting majority but which are fiscally dependent on the police jury.
- c. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued**  
**June 30, 2019**

Because the police jury provides financial benefits that make the Clerk of Court fiscally dependent, the Clerk of Court was determined to be a component unit of the Allen Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the Clerk of Court, which is the financial reporting entity for purposes of this report, and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity. The Clerk of Court has no component units.

2. Basis of Presentation

The accompanying basic financial statements of the Allen Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Clerk of Court as a whole. They include all funds of the Clerk of Court, except the fiduciary funds. Governmental activities are generally financed through user fees and charges, as well as other nonexchange revenues. Fiduciary funds are reported only in the statement of fiduciary assets and liabilities at the fund financial statement level.

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

Fund Financial Statements (FFS)

The Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds. A fund is considered major if it is the primary operating fund of the Clerk of Court or if the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding total for all governmental funds combined.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued  
June 30, 2019**

The Clerk of Court reports the following governmental and fiduciary funds:

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

Fiduciary Funds. The Advance Deposits, Registry of Court, Juvenile Support and Civil Jury Agency Funds are used to account for assets held by the Clerk as an agent for third parties, including other governments, litigants, other persons, or other funds. Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, the governmental activities are presented using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of whether cash is received or disbursed). In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued  
June 30, 2019**

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting.

The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Court costs, other charges for services and miscellaneous revenues are recorded in the year in which they are received in cash because they are generally not measurable until actually received. Interest income is accrued when the receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Capital expenditures are regarded as expenditures at the time of purchase.

4. Budgetary Accounting

A budget for the General Fund is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally prepared or as amended by the Clerk of Court. The budget was not amended during the year.

5. Capital Assets

Capital assets, which include furniture and equipment, are reported in the governmental columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture and Equipment	5-20 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued  
June 30, 2019**

6. Cash and Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

7. Bad Debts

Uncollectible amounts due for receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

8. Vacation and Sick Leave

Employees of the Clerk of Court's office earn one to three weeks of vacation and 12 days of sick leave each year. Vacation and sick leave must be used in the calendar year earned. At June 30, 2019, the employees of the Clerk of Court have no accumulated and vested leave benefits required to be reported in accordance with GASB No. 16.

9. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Allen Parish Clerk of Court as an extension of formal budgetary integration in the funds.

10. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

11. Equity Classification

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

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

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued**  
**June 30, 2019**

In the fund statements, governmental fund equity is classified as fund balance and is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulation of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Clerk, who is the highest level of decision-making authority for the Allen Parish Clerk of Court. Commitments may be established, modified, or rescinded only by the Clerk.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk’s adopted policy, only the Clerk may assign amounts for specific purposes.
- e. Unassigned – includes fund balances which have not been classified within the above categories.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District’s policy is to first apply the expenditures toward restricted fund balance and then to other, less-restrictive classifications (committed and then assigned fund balances) before using unassigned fund balances.

**12. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Clerk of Court Retirement and Relief Fund (COCRRF) and additions to/deductions from COCRRF’s fiduciary net position have been determined on the same basis as they are reported by COCRRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The COCRRF employer pension schedules are prepared in accordance with GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers’ proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and outflows. COCRRF also complies with the provisions of GASB

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued  
June 30, 2019**

Statement No. 67, *Financial Reporting for Pension Plans*, which specifies the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

The COCRRF financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing COCRRF. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the District's proportionate share of the plans net pension liability/(asset), deferred outflows and inflows of resources related to pensions, and pension expense.

13. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

B. Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds with a fiscal agent bank located in the parish or congressional district that is organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having an office in Louisiana. At June 30, 2019, the Clerk of Court has cash and cash equivalents (book balances) totaling \$ 1,713,519, as follows:

	First Federal Bank	Capital One Bank	Iberia Bank	Sabine State Bank & Trust Company	Totals
Demand deposits:					
Non-interest-bearing	\$ 500,173	\$ -	\$ 21,787	\$ -	\$ 521,960
Interest-bearing	340,835	29	142	546,698	887,704
Time deposits	-	-	<u>201,901</u>	<u>101,954</u>	<u>303,855</u>
Totals	<u>\$ 841,008</u>	<u>\$ 29</u>	<u>\$ 223,830</u>	<u>\$ 648,652</u>	<u>\$ 1,713,519</u>

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that, in the event of bank failure, the Clerk's deposits may not be returned. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued  
June 30, 2019**

by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent bank. 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. Deposit balances (bank balances) at June 30, 2019, are secured as follows:

	<u>First Federal Bank</u>	<u>Capital One Bank</u>	<u>Iberia Bank</u>	<u>Sabine State Bank &amp; Trust Company</u>	<u>Totals</u>
Bank balances	\$ 943,576	\$ 734	\$ 254,960	\$ 669,351	\$1,868,621
Securities pledged (Category 3)	868,090	-	-	521,419	1,389,509
Federal deposit insurance	<u>500,000</u>	<u>734</u>	<u>254,960</u>	<u>250,000</u>	<u>1,005,694</u>
Total securities and insurance	1,368,090	734	254,960	771,419	2,395,203
Over (Under) secured deposits	<u>\$ 424,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,068</u>	<u>\$ 526,582</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

**C. Capital Assets**

A summary of changes in capital assets follows:

	<u>Balance 06/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/19</u>
Governmental Activities:				
Furniture, fixtures and equipment	\$564,015	\$ 33,829	\$ 3,044	\$594,800
Less: accumulated depreciation	<u>483,159</u>	<u>31,459</u>	<u>3,044</u>	<u>511,574</u>
Capital assets, net	<u>\$ 80,856</u>	<u>\$ 2,370</u>	<u>\$ -</u>	<u>\$ 83,226</u>

Depreciation expense for the year ended June 30, 2019 was \$31,459.

**D. Pension Plan**

Louisiana Clerks of Court Retirement and Relief Fund:

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

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each

**ALLEN PARISH CLERK OF COURT  
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**Notes to Basic Financial Statements-Continued  
June 30, 2019**

of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

*Retirement Benefits:* A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more, and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3% of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retired on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age sixty with an accrual rate of 3% for all members hired on or after January 1, 2011.

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

*Disability Benefits:* Effective through June 30, 2008, a member who has been officially 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 the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, 2 1/2% of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- 2) A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to 3% of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

**ALLEN PARISH CLERK OF COURT  
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**Notes to Basic Financial Statements-Continued  
June 30, 2019**

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008. A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to Louisiana Revised Statute 11:218 and one of the following applies:

- 1) The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- 2) The member has at least ten years of service credit.

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

- 1) Forty percent of their monthly average final compensation.
- 2) Seventy-five percent of their monthly regular retirement benefit computed pursuant to Louisiana Revised Statute 11:1521(c).

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

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

*Deferred Retirement Option Plan:* In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

**ALLEN PARISH CLERK OF COURT**  
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**Notes to Basic Financial Statements-Continued**  
**June 30, 2019**

Upon termination of employment at the end of the specified period of participation, a participant in the DROP program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. Interest accruals cease upon termination of employment. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of *DROP* participation is calculated using the normal method 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 thirty-six 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 sixty-five equal to 2% of the benefit paid on October 1, 1977, or the member's retirement date if later. In order to grant any cost-of-living increase, the Fund must meet criteria as detailed in the Louisiana statutes related to funding status. In lieu of granting a cost-of-living increase as described above, Louisiana statutes allow the board to grant a cost-of-living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost-of-living amount which cannot exceed \$1.

*Non-employer Contributions:* In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2018, was \$53,123.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be accessed online at the COCRRF website ([www.laclerkofcourt.org](http://www.laclerkofcourt.org)) or obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 10202 Jefferson Highway, Bldg. A, Baton Rouge, Louisiana 70809, or by calling (225) 293-1162.

*Funding Policy.* Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Allen Parish Clerk of Court is required to contribute an actuarially determined rate. The current employer rate is 19% of annual covered payroll. However, the Clerk of Court also funded one hundred percent of the 8.25% employees' contributions. Contributions to the system also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution

**ALLEN PARISH CLERK OF COURT**  
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**Notes to Basic Financial Statements-Continued**  
**June 30, 2019**

requirements of plan members and the Allen Parish Clerk of Court are established and amended by statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Allen Parish Clerk of Court's contributions for both the employer and employee portions to the system for the years June 30, 2019, 2018, 2017, were \$113,307, \$107,040, and \$123,508, respectively, equal to the required contributions for each year.

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

At June 30, 2019, the Clerk reported a liability of \$805,525 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 municipalities, actuarially determined. At June 30, 2018, the Clerk's proportion was 0.484293%, which was a decrease of 0.018116% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$73,577, consisting of the actuarially computed portion attributed to the Clerk's employer share \$50,276 and the actual employee contributions that were payable by the Clerk \$23,301. At June 30, 2019, the Clerk recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,378	\$ 7,958
Changes of assumptions	83,691	-
Net difference between projected and actual earnings on pension plan investments	15,376	-
Changes in proportion	7,176	26,175
Differences between Clerk's contributions and proportionate share of contributions	34	47
Clerk's contributions subsequent to the measurement date	90,006	-
Total	\$ 217,661	\$ 34,180

The \$90,006 reported as deferred outflows of resources related to pensions resulting from the Clerk contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 52,602
2021	34,608
2022	(8,867)
2023	15,132
Total	\$ 93,475

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued  
June 30, 2019**

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

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of investment expense
Expected Remaining Service Lives	5 years
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)
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 7.10%, for the year ended June 30, 2018. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2018, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.00%
Domestic Equity:		

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued  
June 30, 2019**

Large cap domestic equity	21.00%	4.50%
Non-large cap domestic equity	7.00%	4.75%
International Equity:		
Large cap international equity	14.00%	4.75%
Small cap international equity	6.50%	4.50%
Emerging markets	6.50%	6.25%
Real Estate	10.00%	4.00%
Master Limited Partnerships	5.00%	6.00%
Hedge Funds	10.00%	3.50%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the total pension liability was 6.75% which reflects a .25% decrease from the prior year discount rate of 7.0%. 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 actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Clerk's proportionate share of pension liability to changes in the discount rate.* The following presents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the Clerk's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current rate:

	1% Decrease <u>(5.75%)</u>	Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Clerk's proportionate share of net pension liability	\$1,231,468	\$805,525	\$452,455

*Change in Net Pension Liability:* The changes in the net pension liability for the year ended June 30, 2018, were recognized in the current reporting period as pension expense except as follows:

*Differences between Expected and Actual Experience:* The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources of \$21,378 and a deferred inflow of resources in the amount of \$7,958 for the year ended June 30, 2019.

*Changes of Assumptions or Other Inputs:* The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued**  
**June 30, 2019**

a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources of \$83,691 for the year ended June 30, 2019.

*Differences between Projected and Actual Investment Earnings:* The differences between projected and actual earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources of \$15,376 for the year ended June 30, 2019.

*Changes in Proportion:* Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in employer's portion of the beginning net pension liability resulted in a deferred outflow of resources of \$7,176 and a deferred inflow of resources of \$26,175 for the year ended June 30, 2019.

*Differences Between Clerk's Contributions and Proportionate Share of Contributions:* Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Differences between Clerk of Court contributions and proportionate share of contributions resulted in a deferred outflow of resources of \$34 and a deferred inflow of resources of \$47 for the year ended June 30, 2019.

E. Expenditures of the Clerk of Court Paid by the Allen Parish Police Jury

The Clerk of Court's office is located in the Allen Parish Courthouse. The Allen Parish Police Jury pays for the upkeep and maintenance of the courthouse.

F. Receivables

The receivables balance of \$59,866 at June 30, 2019 is comprised of the following:

Certified copies, copies, scans and faxes	3,824
Civil Jury Fund	570
Court attendance	160
Juvenile support fees	21,959
Miscellaneous	301
Mortgage certificates	253
Recordings	5,360
Suits and Successions	<u>27,439</u>
Total	<u>\$59,866</u>

G. Long-Term Leases

**ALLEN PARISH CLERK OF COURT**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements-Continued**  
**June 30, 2019**

The Allen Parish Clerk of Court previously contracted for a five-year operating lease with Pitney Bowes for the use of mailing equipment. This lease was renewed in September, 2016 for 60 months at \$366.56 per month, payable in arrears at \$1,099.68 per quarter. During the year ended June 30, 2019, quarterly rental payments under this long-term lease amounted to \$4,398.72 (4 x \$1,099.68).

The Allen Parish Clerk of Court previously contracted for a five-year operating lease with Xerox for the use of copy equipment at a monthly rental of \$251.30. During the year ended June 30, 2019, monthly rental payments and accruals under this long-term lease amounted to \$3,016. This lease is set to expire March 31, 2023.

Future minimum lease payments, by year, and in aggregate at June 30, 2019 are:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2020	7,414
2021	7,414
2022	4,115
2023	1,005
Thereafter	-
Total	<u>\$ 19,949</u>

H. Excess Fund Balance

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk of Court's last year of his term of office, but limited to the amount, if any, received from the police jury under Louisiana Revised Statute 13:784(A) for capital outlays during the term of office. At June 30, 2019 there was no amount due the parish treasurer as this was not the last year of the Clerk of Court's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

I. Risk Management

The Allen Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Allen Parish Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Allen Parish Clerk of Court. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

J. Subsequent Review

The Allen Parish Clerk of Court has evaluated subsequent events through December 31, 2019, the date which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2019, that required reporting or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Allen Parish Clerk of Court**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Fiscal Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Favorable (Unfavorable) Final to Actual</b>
<b>Revenues</b>				
Licenses and permits	\$ 4,000	\$ 4,000	\$ 3,684	\$ (316)
Fees, charges, court costs, and commissions for services	124,440	124,440	178,237	53,797
Fees for recording legal documents	620,630	620,630	663,213	42,583
Fees for certified copies, copies, scans, and faxes	42,000	42,000	81,069	39,069
Interest income	300	300	1,632	1,332
Intergovernmental revenue - state	--	--	15,500	15,500
<b>Total Revenues</b>	<u>791,370</u>	<u>791,370</u>	<u>943,335</u>	<u>151,965</u>
<b>Expenditures</b>				
Personal services and related benefits	632,059	632,059	636,142	(4,083)
Operating services	93,810	93,810	104,280	(10,470)
Materials and supplies	33,800	33,800	38,255	(4,455)
Capital outlays	10,000	10,000	33,829	(23,829)
<b>Total Expenditures</b>	<u>769,669</u>	<u>769,669</u>	<u>812,506</u>	<u>(42,837)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	21,701	21,701	130,829	109,128
<b>Net Change in Fund Balance</b>	<u>21,701</u>	<u>21,701</u>	<u>130,829</u>	<u>109,128</u>
<i>Fund Balance at Beginning of Period</i>	560,692	560,692	560,692	--
<b>Fund Balance at End of Period</b>	<u>\$ 582,393</u>	<u>\$ 582,393</u>	<u>\$ 691,521</u>	<u>\$ 109,128</u>

See accompanying notes.

ALLEN PARISH CLERK OF COURT  
 General Fund  
 Schedule of Clerk's Proportionate Share of  
 Net Pension Liability  
 Clerk of Court Retirement and Relief Fund (COCRRF)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Clerk's proportion of the net pension liability (asset)	0.484293%	0.502409%	0.495666%	0.493516%	0.511323%	0.495268%	Unavailable	Unavailable	Unavailable	Unavailable
Clerk's proportionate share of the net pension liability (asset)	\$805,525	\$760,112	\$916,969	\$740,290	\$689,704	\$818,063	Unavailable	Unavailable	Unavailable	Unavailable
Clerk's covered-employee payroll	\$449,653	\$453,242	\$452,418	\$446,482	\$439,834	\$427,393	Unavailable	Unavailable	Unavailable	Unavailable
Clerk's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	179%	168%	203%	166%	157%	191%	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	79.1%	63.5%	74.2%	78.1%	79.4%	72.9%	Unavailable	Unavailable	Unavailable	Unavailable

See accompanying notes.

ALLEN PARISH CLERK OF COURT  
 General Fund  
 Schedule of Clerk's Pension Plan Contributions  
 Clerk of Court Retirement and Relief Fund (COCRRF)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$90,006	\$85,434	\$ 86,116	\$ 85,959	\$ 84,832	\$ 81,369	\$ 73,725	\$ 71,596	\$ 70,666	Unavailable
Contributions in relation to the contractually required contribution	<u>(90,006)</u>	<u>(85,434)</u>	<u>(86,116)</u>	<u>(85,959)</u>	<u>(84,832)</u>	<u>(81,369)</u>	<u>(73,725)</u>	<u>(71,596)</u>	<u>(70,666)</u>	Unavailable
Contribution deficiency (excess)	<u>\$ -</u>	Unavailable								
Clerk's covered-employee payroll	473,718	\$449,653	453,242	\$452,418	\$446,482	\$439,834	\$427,393	\$415,050	\$383,155	Unavailable
Contribution as a percentage of cover-employee payroll	19.00%	19.00%	19.00%	19.00%	19.00%	18.50%	17.25%	17.25%	18.44%	Unavailable

See accompanying notes.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Notes to Required Supplementary Information  
for the Year Ended June 30, 2019**

(A) Budget and Budgetary Accounting

The Clerk follows these procedures in establishing the budgetary data reflected in the Required Supplementary Information:

1. The Clerk prepares a proposed budget ninety days before the beginning of each fiscal year.
2. After the proposed budget is prepared, the Clerk publishes the proposed budget and notifies the public that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held by the Clerk on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require approval of the Clerk.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budget appropriations lapse at year-end.

(B) Excess of Expenditures Over Appropriations

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Clerk. Budgeted amounts included in the accompanying financial statements include the original adopted and final budget amounts. The budget was not amended during the year.

(C) Pension Information

The schedule of the Clerk's proportionate share of the net pension liability and the schedule of the Clerk's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available.

**OTHER SUPPLEMENTARY INFORMATION**

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Combining Statement of Fiduciary Assets and Liabilities – Agency Funds  
June 30, 2019**

	<u>Advance Deposits Fund</u>	<u>Registry of Court Fund</u>	<u>Juvenile Support Fund</u>	<u>Civil Jury Fund</u>	<u>Totals</u>
<b>ASSETS</b>					
Non-interest bearing demand deposits	\$500,173	\$ 21,787	\$ -	\$ -	\$ 521,960
Interest-bearing demand deposits	170	314,787	25,479	570	341,006
Time deposits/Certificates of deposit	<u>201,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,901</u>
<b>TOTAL ASSETS</b>	<u>\$ 702,244</u>	<u>\$ 336,574</u>	<u>\$ 25,479</u>	<u>\$ 570</u>	<u>\$ 1,064,867</u>
<b>LIABILITIES</b>					
Due to litigants and others	<u>\$ 702,244</u>	<u>\$ 336,574</u>	<u>\$ 25,479</u>	<u>\$ 570</u>	<u>\$ 1,064,867</u>

See accompanying notes.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds  
For the Year Ended June 30, 2019**

	<u>Advance Deposits Fund</u>	<u>Registry of Court Fund</u>	<u>Juvenile Support Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
Balances, beginning of year	\$ 703,340	\$ 135,221	\$ 34,358	\$ 570	\$ 873,489
Additions:					
Suits and successions	538,833	201,469	-	-	740,302
Fines and costs	-	-	25,476	-	25,476
Interest	<u>411</u>	<u>13</u>	<u>2</u>	<u>-</u>	<u>426</u>
Total Additions	<u>539,244</u>	<u>201,482</u>	<u>25,478</u>	<u>-</u>	<u>766,204</u>
Subtotal	1,242,584	336,703	59,836	570	1,639,693
Reductions					
Deposits settled to –					
State agencies	4,187	-	-	-	4,187
Sheriffs	51,591	-	4,449	-	56,040
AP Clerk of Court Salary Fund	315,035	-	29,908	-	344,943
Other Clerks of Court	1,341	-	-	-	1,341
Judges' Supplemental Fund	15,187	-	-	-	15,187
Litigants and attorneys	152,927	129	-	-	153,056
Other reductions	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>
Total Reductions	<u>540,340</u>	<u>129</u>	<u>34,357</u>	<u>-</u>	<u>574,826</u>
Balances, end of year	<u>\$ 702,244</u>	<u>\$ 336,574</u>	<u>\$ 25,479</u>	<u>\$ 570</u>	<u>\$1,064,867</u>

See accompanying notes.

**ALLEN PARISH CLERK OF COURT  
Oberlin, Louisiana**

**Schedule of Compensation, Benefits and Other Payments to  
Chief Executive Officer  
For the Fiscal Year Ended June 30, 2019**

Chief Executive Officer: Gerald Harrington, Allen Parish Clerk of Court

<u>Purpose</u>	<u>Amount</u>
Salary	\$148,229
Benefits-insurance	1,209
Benefits-retirement	28,164
Benefits-cell phone	482
Car allowance	-0-
Vehicle provided by government	6,133
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
Other	50

See accompanying notes.

**ROYCE T. SCIMEMI, CPA, APAC**  
**Certified Public Accountant**



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Society of Louisiana  
Certified Public Accountants

**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of the  
Financial Statements Performed in Accordance  
with *Government Auditing Standards***

December 31, 2019

**HONORABLE GERALD HARRINGTON**  
**ALLEN PARISH CLERK OF COURT**  
Oberlin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Allen Parish Clerk of Court, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Allen Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 31, 2019.

**Internal Control Over Financial Reporting**

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

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

Honorable Gerald Harrington  
Allen Parish Clerk of Court  
December 31, 2019  
Internal Control and Compliance Report  
Page 2.

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

#### **Compliance and Other Matters**

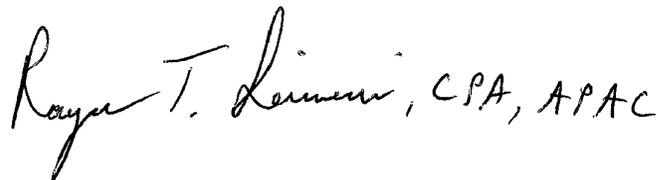
As part of obtaining reasonable assurance about whether Allen Parish Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standard* and which is described in the accompanying schedule of findings and responses as Item 2019-1 C.

#### **Purpose of this Report**

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

This report is intended solely for the information and use of management, others within the entity, and the Legislative Auditor of the State of Louisiana 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 of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R'.



# ROYCE T. SCIMEMI, CPA, APAC

CERTIFIED PUBLIC ACCOUNTANT

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Gerald Harrington  
Allen Parish Clerk of Court  
Oberlin, Louisiana

December 31, 2019

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

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the Clerk's written policies and procedures and observe that they address each of the following categories and subcategories:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
***All addressed without exception.***
  - 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.  
***All addressed without exception.***
  - c) ***Disbursements***, including processing, reviewing, and approving.  
***All addressed without exception.***
  - 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.  
***All addressed without exception.***
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
***All addressed without exception.***
  - 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.

**All addressed without exception.**

- 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.

**All addressed without exception.**

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

**All addressed without exception.**

- 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 Clerk's ethics policy.

**All addressed without exception.**

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

**No policy was provided and no debt was incurred during the current fiscal year (Exception).**

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

**All addressed without exception.**

**Council (or Finance Committee)**

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2. Obtain and inspect the council 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 council met with a quorum at least monthly, or on a frequency in accordance with the council's enabling legislation, charter, bylaws, or other equivalent document.

**Since the Clerk is an elected official with complete executory control over his office, there is no council or legislative committees and this section is not applicable.**

- b) 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 for major proprietary funds.

**Not applicable.**

- 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.

**Not applicable.**

**Bank Reconciliations**

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3. Obtain a listing of client bank accounts 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 four additional accounts. Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account and observe that:

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

***The listing was provided by management without exception. All reconciliations were posted within the two-month time frame as applicable without exception.***

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

***The Clerk, who does not handle cash, is involved in most transactions associated with all bank accounts including issuing checks, reconciles the bank accounts, and posts activity to the general ledger. There was no documentation that another member of management reviews the reconciliations (Exception).***

- 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.

***Two of the tested accounts reflected checks that were outstanding for more than 12 months from the statement closing date. There was no documentation reflecting that management had researched those long-term outstanding reconciling items (Exception).***

### **Collections**

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4. Obtain a listing of each 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).

***The listing was provided by management without exception.***

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, obtain and inspect written policies and procedures relating to employees' job duties at each collection location, and observe that the 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.

***All of the employees that collect payments share one cash drawer (Exception).***

- 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.

***Two of the eleven employees who collect cash are responsible for preparing deposits, but the Clerk is responsible for reconciling collection documentation to the deposits.***

- 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.

***No person is responsible for both collecting cash and posting collection entries to the general ledger.***

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

***There is no person who is responsible for both reconciling cash collections to the general ledger and collecting cash.***

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

***Each of the eleven employees that are responsible for handling cash are not bonded (Exception).***

7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the 10 deposits and:

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

***Receipts were sequentially pre-numbered where applicable without exception.***

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

**The sequentially pre-number receipts, system reports, and other related collection documentation on the tested deposits were traced to the associated deposit slips where applicable with one exception. One bank account had one remote deposit for the month and no documentation was provided to support the amount (Exception).**

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

**The deposit slip totals on the tested deposits were traced to the bank statement deposits where applicable without exception.**

- d) Observe that the deposit was made within one business day of receipt at the collection location.

**All deposits were made within one business day of receipt at the collection location where applicable without exception.**

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

**The tested deposits were traced to the general ledger where applicable without exception.**

**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 five locations.

**The listing was provided by management without exception.**

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 and observe that job duties are properly segregated such that:

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

**There is no purchase order system in place (Exception). All transactions selected for testing were initiated and approved by the Clerk himself (Exception). The Clerk is the primary responsible party for authorizing disbursements, placing orders, recording purchases, and has signatory authority.**

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

**Only the Clerk processed and approved payments to vendors (Exception).**

- 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 is the primary responsible party who performs accounts payable payment processing and adds vendors to the Clerk's system (Exception).**

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

**The Clerk signs the checks and gives the signed checks to an employee to mail who is not responsible for processing payments without exception.**

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:

***Management provided the transaction population without exception.***

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

***The disbursements tested matched the related original invoice without exception.***

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

***There is no evidence of segregation of duties between the person(s) involved in the purchase process from inception at purchase initiation through completion at payment approval (Exception).***

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

***The listing was provided by management.***

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.]]

***Supporting documentation was not reviewed by anyone besides the Clerk who is the only authorized card holder/user (Exception).***

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

***No finance charges and/or late fees were assessed on the month tested.***

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).

***Each transaction tested was supported by an original itemized receipt that identified what was purchased and listed the business purpose without exception. No meals were purchased.***

#### ***Travel and Expense Reimbursement***

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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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

**Management provided the requisite list without exception. As no prior year exceptions were reported in this category, testing was not required.**

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 Administration ([www.gsa.gov](http://www.gsa.gov)).

**N/A**

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

**N/A**

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).

**N/A**

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

**N/A**

#### **Contracts**

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15. Obtain from management a listing of all contracts/agreements for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete.

**Management provided the listing without exception. As no prior year exceptions were reported in this category, testing was not required.**

Randomly select five contracts from the listing, excluding the practitioner's contract and:

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

**N/A**

b) Observe that the contract was approved by the governing body/board, if required by policy or law.

**N/A**

c) If the contract was amended, observe that the original contract terms provided for such an amendment.

**N/A**

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

**N/A**

#### **Payroll and Personnel**

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

***The listing was provided by management without exception.***

17. Randomly select one pay period during the fiscal period. For the five 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, and compensatory).

***Written documentation of daily attendance and leave was provided for all employees tested.***

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

***There was no written documentation that supervisors approved attendance and leave for the tested employees (Exception). However, the Clerk monitors attendance and leave and processes payroll (Compensating Control).***

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

***The Clerk maintained written leave records reflecting the cumulative hours earned and the hours used.***

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/official's personnel files.

***No employee was terminated during the fiscal year.***

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

***Documentation reflected that all payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were timely paid and submitted for the fiscal year. Documentation further reflected that all payroll tax return/reports were timely filed for the fiscal year, except that the payroll tax returns for the second quarter of 2019 due July 31, 2019, were filed 15 days late (Exception).***

#### ***Ethics***

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

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

***Documentation demonstrated that each of the five selected employees/officials completed the required one-hour ethics training on the Code of Governmental Ethics during the fiscal period.***

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

***No signed verifications were provided reflecting that employee/officials had read the Clerk's ethics policy during the fiscal year (Exception).***

#### ***Debt Service***

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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 the State Bond Commission approval was obtained for each bond/note issued.

***No debt was issued during the fiscal period.***

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

***No outstanding debt was payable during the fiscal year.***

***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and managements' 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.

***Management informed us that the Clerk did not have any misappropriation of public funds or assets during the fiscal year.***

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

***The Clerk did have the required notice posted in a conspicuous place upon its premises and its website.***

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

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

Royce T. Scimemi, CPA, APAC

*Royce T. Scimemi, CPA, APAC*