

IBERIA PARISH CLERK OF COURT

Financial Report

June 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Thibodeaux  
Iberia Parish Clerk of Court  
New Iberia, Louisiana

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

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court (hereinafter "Court"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Iberia 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 the financial statements in accordance with accounting principles generally accepted in United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

## **Opinions**

In my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court as of June 30, 2017, 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 budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during I audit of the basic financial statements. I do not express an opinion or provide any assurance on the budgetary comparison information on pages 41 through 44 because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Iberia Parish Clerk of Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iberia Parish Clerk of Court's basic financial statements. The other supplementary information on pages 49 through 50 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

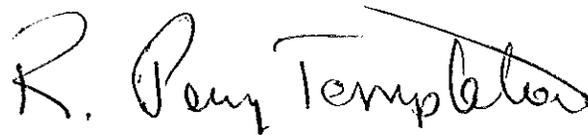
The Honorable Michael Thibodeaux  
January 26, 2018  
Page 3

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion or provide any assurance on it.

The Louisiana State Police is currently conducting an investigation of the Iberia Parish Clerk of Court's office. I am unaware of the scope of the investigation or what its ultimate outcome will be.

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

In accordance with *Government Auditing Standards*, I have issued my report dated January 26, 2018, on my consideration of the Iberia Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance

A handwritten signature in black ink that reads "R. Poy Templeton". The signature is written in a cursive style with a long horizontal stroke extending from the top of the "Poy" to the "Templeton".

New Iberia, Louisiana  
January 26, 2018

## **BASIC FINANCIAL STATEMENTS**

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Net Position  
June 30, 2017

ASSETS

Current Assets:	
Cash and Interest-Bearing Deposits	\$ 879,833
Investments	99,882
Receivables, Net	54,339
Due from Other Funds	4,298
Accrued Interest	<u>1,735</u>
Total Current Assets	<u>1,040,087</u>
Noncurrent Assets:	
Capital Assets, Net	13,877
Total Assets	<u>1,053,964</u>
Deferred Outflows of Resources	<u>900,041</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	25,136
Due To Other Funds	<u>5,225</u>
Total Current Liabilities	<u>30,361</u>
Noncurrent Liabilities:	
Net OPEB Obligations	1,350,523
Net Pension Liability	<u>2,677,162</u>
Total Noncurrent Liabilities	<u>4,027,685</u>
Total Liabilities	<u>4,058,046</u>
Deferred Inflows of Resources	<u>98,668</u>

NET POSITION (DEFICIT)

Investment in Capital Assets	13,877
Unrestricted (Deficit)	<u>(2,216,586)</u>
Total Net Position (Deficit)	<u><u>\$(2,202,709)</u></u>

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2017

Expenses:	
Judiciary:	
Personal Services and Related Benefits	\$ 2,369,478
Operating Services	380,260
Material and Supplies	<u>100,343</u>
Total Expenses	<u>2,850,081</u>
Program Revenues:	
Licenses and Permits	10,349
Fines, Charges, and Commissions for Services	<u>2,546,693</u>
Total Program Revenues	<u>2,557,042</u>
Net Program (Expense) Revenues	(293,039)
General Revenues:	
Miscellaneous	<u>51,559</u>
Change in Net Position (Deficit)	(241,480)
Beginning Net Position, As Restated	<u>(1,961,229)</u>
Ending Net Position (Deficit)	<u><u>\$ (2,202,709)</u></u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## FUND DESCRIPTION-MAJOR FUND

### General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Balance Sheet-Governmental Fund  
June 30, 2017

ASSETS

Cash	\$ 179,833
Interest-Bearing Deposits	700,000
Investments	99,882
Receivables:	
Accounts Receivable	54,339
Due from Other Funds	4,298
Accrued Interest	<u>1,735</u>
 Total Assets	 <u>\$1,040,087</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	25,136
Due to Other Funds	<u>5,225</u>
Total Liabilities	30,361
 Fund Balance:	
Unassigned	<u>1,009,726</u>
 Total Liabilities and Fund Balance	 <u>\$1,040,087</u>

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2017

Total Fund Balance for the Governmental Fund at June 30, 2017		\$ 1,009,726
Cost of Capital Assets at June 30, 2017	\$ 1,303,802	
Less: Accumulated Depreciation	<u>2,289,925</u>	
		13,877
Net OPEB Obligation at June 30, 2017		(1,350,523)
Net Pension Obligation at June 30, 2017		(2,677,162)
Deferred Outflows of Resources		900,041
Deferred Inflows of Resources		<u>(98,668)</u>
Total Net Position of Governmental Activities at June 30, 2017 (Deficit)		<u>\$ (2,202,709)</u>

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance-  
Governmental Fund  
For the Year Ended June 30, 2017

Revenues:	
Licenses and Permits	\$ 10,349
Fees, Charges and Commissions –	
Court Costs, Fees and Charges	410,668
Fees for Recording Legal Documents	2,055,348
Fees for Certified Copies	80,677
Miscellaneous	<u>51,559</u>
Total Revenues	<u>2,608,601</u>
Expenditures:	
Current –	
General Government:	
Personnel Services and Related Benefits	2,210,538
Operating Services	371,128
Material and Supplies	100,343
Capital Outlay –	<u>-</u>
Total Expenditures	<u>2,682,009</u>
Excess of (Deficit) Revenues over Expenditures	(73,408)
Fund Balance, Beginning of Year (As Restated)	<u>1,083,134</u>
Fund Balance, End of Year	<u>\$ 1,009,726</u>

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2017

Total Net Change in Fund Balance for the Year ended June 30, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (73,408)
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The change in net position reported for governmental activities  
in the statement of activities is different because:

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

Depreciation Expense	(9,134)
Capital Outlay Costs Considered Expenditures	-
Net Change in OPEB Obligation	(142,365)
Net Change in Pension Expense	<u>(16,573)</u>

Total Changes in Net Position for the Year Ended June 30, 2017 per Statement of Activities	<u>\$ (241,480)</u>
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The accompanying notes are an integral part of the basic financial Statements.

## FUND DESCRIPTION – FIDUCIARY FUNDS

### AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary assets and liabilities.

#### Advance Deposit Fund –

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

#### Registry of Court Fund –

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Fiduciary Net Position  
June 30, 2017

ASSETS

Cash	\$ 518,083
Interest-Bearing Deposits	2,028,982
Investments	100,922
Accrued Interest Receivable	1,032
Other Receivables	14,582
Due From General Fund	5,225
Total Assets	<u>\$2,668,826</u>

LIABILITIES

Due to General Fund	\$ 4,298
Due to Litigants and Others	1,435,546
Unsettled Deposits	<u>1,228,982</u>
Total Liabilities	<u>\$2,668,826</u>

NET POSITION

Net Position	<u>\$ -</u>
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The accompanying notes are an integral part of the basic financial Statements.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Iberia Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the Parish Government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the Parish Government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of the last year of the term in office.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Net Fiduciary Position and at the fund financial statement level.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues included (a) fees and charges paid by the recipients for goods or services offered by the programs, 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 accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Clerk of Court is described below:

Governmental Fund –

General Fund

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds –

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

C. 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

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported.

In the fund financial statement, the governmental fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses *fund balance as its 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, gain, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an 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, fixtures, and equipment	5-10 years
Software	5 years

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

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.

#### Long-term debt

All long-term debts to be repaid from governmental funds are reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences payable, other post employment benefits payable, and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest is reported as expenditures.

#### Compensated Absences

Employees earn up to four weeks of vacation leave depending on length of service. Employees also receive five days of sick leave and two days of personal leave. Vacation, sick and personal leave must be used in the year earned.

The cost of leave privileges is recognized as current year expenditure in the governmental funds when leave is actually taken or when employees are paid for accrued leave. The cost of leave privileges will be paid using current resources and is therefore a liability of the governmental funds. In accordance with the provisions of Statements of Financial Accounting Standards No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. All of the Clerks deferred outflows and inflows of resources on the statement of net position are related to pensions.

#### Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

- b. Restricted net position – Consists of net assets with constraints placed on the use, whether 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. The Clerk had no equity in this classification at June 30, 2017.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. The Iberia Parish Clerk of Court adopted GASB Statement 54 for the year ended June 30, 2011. As such, fund balances of the government funds are 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 regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Iberia Parish Clerk of Court.
- 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.
- e. Unassigned – all other spendable amounts.

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

E. Budgetary and Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements.

- 1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

F. Interest-Bearing Deposits

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

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2017.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws, of the United State. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Clerk of Court has cash and cash equivalents (book balances) totaling \$3,436,398 of which \$2,547,015 is attributable to fiduciary funds, which is not presented in the statement of net position.

Demand Deposits	\$ 1,936,398
Time Deposits	<u>1,500,000</u>
Total	<u>\$ 3,436,398</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2017, and the related federal insurance and pledged securities:

Bank Balances	<u>\$ 3,777,308</u>
Federal Insurance	1,000,000
Pledged Securities (Category 3)	<u>2,777,308</u>
Total Federal Insurance and Pledged Securities	<u>\$ 3,777,308</u>

Custodial Credit Risk-Custodial credit risk is the risk that in the event of a bank failure, the Clerk of Court's deposits may not be returned to it. The Clerk of Court does not have a deposit policy for custodial risk. As of June 30, 2017, \$2,777,308 of the government's cash balance and interest-bearing deposits were exposed to custodial credit risk as follows:

Collateral held by pledging bank's trust department not in the Clerk of Court's name	<u>\$ 2,777,308</u>
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Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3), under the provision of GASB Statement 40. However, 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.

Interest Rate Risk-The Clerk of Court's office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(3) Investments

Investments held at June 30, 2017 consists of \$200,804, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. Of that amount, \$100,922 is attributable to fiduciary funds, which is not presented in the statement of net position. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2017 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objectives of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participates' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

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

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

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

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Notes to the Basic Financial Statements (continued)

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2017 is as follows:

	<u>Balance</u> <u>07/01/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/2017</u>
Furniture, Fixtures Equipment and Software	\$1,303,802	\$ -	\$ -	\$1,303,802
Less: Accumulated Depreciation and Amortization	<u>(1,280,791)</u>	<u>(9,134)</u>	<u>-</u>	<u>(1,289,925)</u>
Net Capital Assets	<u>\$ 23,011</u>	<u>\$ (9,134)</u>	<u>\$ -</u>	<u>\$ 13,877</u>

Depreciation expense of \$9,134 for the year ended June 30, 2017 was charged to the general government function.

(5) Pension Plan/GASB 68

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. 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.

Plan Description - Substantially all employees of the Iberia Parish Clerk of Court, except part-time and temporary employees, 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 R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

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 percent of the members 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 months, with a limit of increase of 10% increase 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 retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a members' retirement to age 60 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:

- a. 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, two and one-half percent 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.
- b. 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 three percent 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.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

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 R.S. 11:218 and one of the following applies:

- a. The members disability was caused solely as a result of injuries sustained in the performance of their official duties.
- b. 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:

- a. Forty percent of their monthly average final compensation.
- b. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 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 members' date of death with option factors used as if the member has 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  $\frac{1}{4}$  of 1% for each month by which payments commence in advance of members earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid  $\frac{1}{2}$  of the members accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the members retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the members' accumulated contributions.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

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 benefit required. During the year ended June 30, 2007 participants has to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participants' 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.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the 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. 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 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 retirees benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the members' retirement date if later.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

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.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19.00%.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

At June 30, 2017, the Clerk reported a liability of \$2,677,162 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Clerk's proportion was 1.447135%, which was a decrease of .3859% from its proportion measured as of June 30, 2015.

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Notes to the Basic Financial Statements (continued)

For the year ended June 30, 2017, the Clerk recognized pension expense of \$367,448 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions. At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,321	\$ 91,124
Change of assumptions	164,881	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	23,192	7,544
Net differences between projected and actual earnings on plan investments	461,899	-
Contributions subsequent to the measurement date	222,748	-
Total	\$ 900,041	\$ 98,668

Deferred outflows of resources of \$222,748 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30</u>	
2018	\$ 125,632
2019	125,632
2020	198,672
2021	116,839

Schedule of Pension Amounts by Employer:

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

Actuarial Methods and Assumptions:

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

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	2
Inflation	2.50%
Salary Increases (merit only)	5.00% Including Inflation
Investment rate of return	7.00%
Mortality rates	RP-2000 Combined Healthy Mortality Table (set back 3 years for males and 1 year for females) RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	2016 – 5 years 2015 – 5 years 2014 – 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and included 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 substantially automatic.

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

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

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

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 7.20% for the year ended June 30, 2016.

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

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.00%
Core plus fixed income	15.00%	1.50%
Domestic Equity:		
Large cap domestic equity	21.00%	4.25%
Non-large cap domestic equity	7.00%	4.00%
International Equity:		
Large cap international equity	15.50%	5.25%
Small cap international equity	5.00%	5.00%
Emerging markets	6.50%	7.25%
Real Estate	10.00%	4.75%
Master Limited Partnerships	5.00%	6.50%
Hedge Funds	10.00%	3.50%
Total	<u>100.00%</u>	

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

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

Sensitivity to Changes in Discount Rate:

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

	1% Decrease 6.00%	Current Discount Rate 7.00	1% Increase 8.00%
Net Pension Liability	\$4,033,224	\$2,677,162	\$1,526,314

Change in Net Pension Liability:

The changes in net pension liability for the year ended June 30, 2017 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience – Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were 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 with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$91,124 for the year ended June 30, 2017.

Differences between Projected and Actual Investment Earning – Differences between projected and actual investment 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 in the amount of \$461,899 for the year ended June 30, 2017.

Changes of Assumptions or Other Inputs – Changes of assumptions about future economic or demographic factors or of other inputs were 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 with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$164,881 for the year ended June 30, 2017.

Change in Proportion – Changes in the employer's proportionate shares of the collective net pension liability resources since the prior measurement date were recognized in employer's pension expense (benefit) 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 through the pension plan.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) 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 a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Funding Policy:

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Iberia Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 19.00 percent of annual covered payroll. Effective July 1, 2013, the Clerk of Court has elected to pay the member's share of the required contribution equal to 8.25% of their annual covered salary. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Iberia Parish Clerk of Court are established and may be amended by state 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 Iberia Parish Clerk of Court's contributions to the System for the years ending June 30, 2017, 2016, and 2015, were \$350,873, \$325,289, and \$323,457, respectively, equal to the contributions for each year.

(6) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2017 follows:

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balance, June 30, 2016	\$1,490,026	\$ 464,328	\$1,954,354
Additions	2,041,329	1,758,533	3,799,862
Reductions	<u>(2,091,511)</u>	<u>(993,879)</u>	<u>(3,085,390)</u>
Balance, June 30, 2017	<u>\$ 1,439,844</u>	<u>\$1,228,982</u>	<u>\$2,668,826</u>

(7) Operating Leases

The Clerk of Court is contracted under several lease agreements.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

The Clerk of Court leases office equipment under operating leases expiring at various dates. The Iberia Parish Government provides for these payments. These expenditures are not reflected in the accompanying financial statements.

(8) Post-Retirement Health Care and Life Insurance Benefits

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

*Funding Policy.* The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk pays for the entire premium charged by the LCCA retirees. Retirees are required to pay 50% of the premium for their dependents. Vision is voluntary and paid 100% by the retiree. Surviving spouses are required to pay 100% of the premiums. For fiscal year 2017, the Clerk contributed \$113,261 to the plan and the retirees/surviving spouses contributed \$17,127.

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

Annual Required Contribution	\$ 276,808
Interest on Net OPEB Obligation	42,286
Adjustment to Annual Required Contribution	<u>(63,468)</u>
Annual OPEB Cost (Expense)	255,626
Contributions Made	<u>(113,261)</u>
Increase in Net OPEB Obligation	142,365
Net OPEB Obligation – beginning of year	1,208,158
Net OPEB Obligation – end of year	<u>\$ 1,350,523</u>

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$351,364	35.6%	\$ 1,060,220
6/30/2016	\$258,209	42.9%	\$ 1,208,158
6/30/2017	\$255,625	44.3%	\$ 1,350,523

*Funded Status and Funding Progress.* As of June 30, 2017, the actuarial accrued liability for benefits was \$3,431,844, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,292,016, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 265%.

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

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

In the July 1, 2015 actuarial valuation, the unit credit cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5.0% after 13 years. Medicare Supplement trend starts at 4.0% and decreases to 3.0% after 8 years. Dental trend decreases from 4.0 % to 3.0% over 5 years and vision trend is 3.0% in all years. The Clerk's unfunded actuarial liability is being amortized as a level dollar, open basis over 30 years.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

(9) Deferred Compensation Plan

The Clerk of Court has an (IRC) 457 deferred compensation plan. The plan covers all full time employees. The Clerk of Court matches employee contributions up to 6 percent of compensation. The Clerk of Court's contributions for the year ending June 30, 2017, 2016 and 2015 amounted to \$ 40,799, \$ 81,126, and \$ 83,346, respectively.

(10) Risk Management

The 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 Clerk of Court purchased commercial insurance policies to satisfy claims related to general liability, automobile liability, property and casualty, employee health and accident, and errors and omissions.

(11) Expenditures of the Clerk of Court Paid by the Parish Government

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

(12) Litigation

The Iberia Parish Clerk of Court is not involved in any litigation at June 30, 2017, nor is he aware of any unasserted claims.

(13) Subsequent Events

Subsequent events have been evaluated through January 26, 2018, the date of the financial statement issuance.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

(14) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity

Under Act 706, Iberia Parish Clerk of Court is required to disclose the compensation, reimbursements, benefits, and other payments made to the clerk, in which the payments are related to the position. The following is a schedule of payments made to the clerk for the year ended June 30, 2017:

Entity Head: Michael Thibodeaux, Clerk of Court

Salary	\$160,018
Benefits-insurance	12,526
Benefits-retirement	30,403
Benefits-deferred compensation	5,577
Car allowance	24,003
Travel and continuing professional education	1,084
Election Expense	<u>2,400</u>
Total	<u>\$236,011</u>

(15) New Accounting Pronouncements

In June 2015, the GASB approved Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB Statement No. 75 replaces the requirements of GASB Statement No. 45 relating to accounting and financial reporting by employers for postemployment benefits other than pensions. The provision of GASB Statement No. 75 must be implemented by the Clerk of Court for the year ending June 30, 2018. The effect of implementation on the Clerk of Court's financial statements has not yet been determined.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 12,000	\$ 12,000	\$ 10,349	\$ 1,651
Fees, Charges, and Commissions				
Court Costs, Fees and Charges	119,000	119,000	410,668	(291,668)
Fees for Recording Legal Documents	1,985,000	1,985,000	2,055,348	(70,348)
Fees for Certified Copies	107,000	107,000	80,677	26,323
Miscellaneous	<u>251,200</u>	<u>251,200</u>	<u>51,559</u>	<u>199,641</u>
Total Revenues	<u>2,474,200</u>	<u>2,474,200</u>	<u>2,608,601</u>	<u>(134,401)</u>
<b>Expenditures:</b>				
Current –				
General Government:				
Personnel Services and Related Benefits	2,258,000	2,258,000	2,210,538	47,462
Operating Services	197,050	197,050	371,128	(174,078)
Materials and Supplies	<u>104,000</u>	<u>104,000</u>	<u>100,343</u>	<u>3,657</u>
Total Current Expenditures	2,559,050	2,559,050	2,682,009	(122,959)
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>2,559,050</u>	<u>2,559,050</u>	<u>2,682,009</u>	<u>(122,959)</u>
Excess (Deficiency) of Revenues Over Expenditures	(84,850)	(84,850)	(73,408)	11,442
Fund Balance, Beginning of Year	<u>\$1,083,134</u>	<u>\$1,083,134</u>	<u>\$1,083,134</u>	<u>\$ -</u>
Fund Balance, End of Year	<u>\$ 998,284</u>	<u>\$ 998,284</u>	<u>\$1,009,726</u>	<u>\$ 11,442</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Budgetary Comparison Schedule – Revenues  
General Fund  
Year Ended June 30, 2017

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With <u>(Negative)</u>
Licenses and Permits:				
Marriage Licenses	\$ 12,000	\$ 12,000	\$ 10,349	\$ 1,651
Fees, Charges and Commissions:				
Court Costs, Fees and Charges-				
Court Attendance	11,000	11,000	15,154	(4,154)
Criminal Costs	108,000	108,000	107,322	678
Other	<u>239,600</u>	<u>239,600</u>	<u>288,192</u>	<u>(48,592)</u>
Total Court Costs, Fees And Charges	<u>358,600</u>	<u>358,600</u>	<u>410,668</u>	<u>(52,068)</u>
Fees for Recording Legal Documents:				
Recordings	662,000	662,000	705,125	(43,125)
Cancellations	85,000	85,000	83,463	1,537
Mortgage Certificates	38,000	38,000	35,148	2,852
Suits and Successions	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,231,612</u>	<u>(31,612)</u>
Total Fees for Recording Legal Documents	<u>1,985,000</u>	<u>1,985,000</u>	<u>2,055,348</u>	<u>(70,348)</u>
Certified Copies	<u>107,000</u>	<u>107,000</u>	<u>80,677</u>	<u>26,323</u>
Miscellaneous:				
Interest Earned	8,500	8,500	8,401	99
Other	<u>3,100</u>	<u>3,100</u>	<u>43,158</u>	<u>(40,058)</u>
Total Miscellaneous	<u>11,600</u>	<u>11,600</u>	<u>51,559</u>	<u>(39,959)</u>
Total Revenues	<u>\$ 2,474,200</u>	<u>\$ 2,474,200</u>	<u>\$2,608,601</u>	<u>\$ (134,401)</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Budgetary Comparison Schedule – Expenditures  
General Fund  
Year Ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Expenditures:				
Current –				
Personnel Services and Related Benefits				
Salaries:				
Clerk	\$ 114,646	\$ 114,646	\$ 122,671	\$ (8,025)
Deputy Clerks	1,285,354	1,285,354	1,174,171	111,183
Other	325,000	325,000	49,857	275,143
Clerk’s Supplemental Fund	39,000	39,000	59,408	(20,408)
Group Insurance	400,000	400,000	434,962	(34,962)
Pension and Payroll Taxes	14,000	14,000	365,372	(351,372)
Deferred Compensation	<u>80,000</u>	<u>80,000</u>	<u>4,097</u>	<u>75,903</u>
Total Personnel Services and Related Benefits	<u>2,258,000</u>	<u>2,258,000</u>	<u>2,210,538</u>	<u>47,462</u>
Operating Services –				
Advertising	1,000	1,000	1,608	(608)
Professional Fees	56,000	56,000	85,965	(29,965)
Insurance	29,000	29,000	23,918	5,082
Telephone	13,000	13,000	9,236	3,764
UCC Fees	45,000	45,000	37,797	7,203
Outside Services	10,000	10,000	33,117	(23,117)
Other	<u>43,050</u>	<u>43,050</u>	<u>179,487</u>	<u>(136,437)</u>
Total Operating Services	<u>197,050</u>	<u>197,050</u>	<u>371,128</u>	<u>(174,078)</u>
Materials and Supplies –				
Office Supplies and Expense	103,000	103,000	96,529	6,471
Dues and Subscriptions	<u>1,000</u>	<u>1,000</u>	<u>3,814</u>	<u>(2,814)</u>
Total Materials and Supplies	<u>104,000</u>	<u>104,000</u>	<u>100,343</u>	<u>3,657</u>
Total Current Expenditures	<u>\$ 2,559,050</u>	<u>\$ 2,559,050</u>	<u>\$2,682,009</u>	<u>\$ (122,959)</u>

IBERIA PARISH CLERK OF COURT  
 New Iberia, Louisiana  
 Budgetary Comparison Schedule – Expenditures  
 General Fund  
 Year Ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5000</u>
Total Expenditures	<u>\$2,564,050</u>	<u>\$2,564,050</u>	<u>\$2,682,009</u>	<u>\$ (117,959)</u>

IBERIA PARISH CLERK OF COURT  
 New Iberia, Louisiana  
 Schedule of Funding Progress  
 Year Ended June 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
6/30/2009	\$ 0	\$3,651,272	\$3,651,272	0.0%	\$1,104,024	330.7%
6/30/2012	\$ 0	\$4,295,632	\$4,295,632	0.0%	\$1,186,020	362.0%
6/30/2015	\$ 0	\$3,431,844	\$3,431,844	0.0%	\$1,292,016	265.0%

IBERIA PARISH CLERK OF COURT  
 New Iberia, Louisiana  
 Schedule of Employer's Share of Net Pension Liability  
 Year Ended June 30, 2017

Schedule of Employer's Share of Net Pension Liability

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll Obligation	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	1.423485	\$1,920,084	\$1,264,407	151.86%	79.37%
2016	1.444328	\$2,164,959	\$1,320,860	163.90%	78.13%
2017	1.447135	\$2,677,162	\$1,172,362	228.35%	74.17%

The amounts presented have a measurement date of the previous fiscal year end.

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

IBERIA PARISH CLERK OF COURT  
 New Iberia, Louisiana  
 Schedule of Employer Contributions  
 Year Ended June 30, 2017

Schedule of Employer Contributions

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 240,237	\$ 240,237	\$ (3,327)	\$1,264,406	19.00%
2016	\$ 250,964	\$ 250,964	-	\$1,320,860	19.00%
2017	\$ 250,964	\$ 250,964	-	\$1,172,362	19.00%

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

**OTHER SUPPLEMENTARY INFORMATION**

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Agency Funds  
Combining Statement of Fiduciary Assets and Liabilities  
June 30, 2017

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 518,083	\$ -	\$ 518,083
Interest-Bearing Deposits	800,000	1,228,982	2,028,982
Investments	100,922	-	100,922
Accrued Interest Receivable	1,032	-	1,032
Other Receivables	14,582	-	14,582
Due from General Fund	<u>5,225</u>	<u>-</u>	<u>5,225</u>
Total Assets	<u>\$ 1,439,844</u>	<u>\$ 1,228,982</u>	<u>\$2,668,826</u>
<b>LIABILITIES</b>			
Due to General Fund	\$ 4,298	\$ -	\$ 4,298
Due to Litigants	1,435,546	-	1,435,546
Unsettled Deposits	<u>-</u>	<u>1,228,982</u>	<u>1,228,982</u>
Total Liabilities	<u>\$ 1,439,844</u>	<u>\$ 464,328</u>	<u>\$2,668,826</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2017

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balances, Beginning of Year	\$ 1,490,026	\$ 464,328	\$ 1,954,354
Additions:			
Suits and Successions	2,041,329	-	2,062,000
Judgments	-	1,757,086	127,141
Interest	-	1,447	1,447
Total Additions	<u>2,041,329</u>	<u>1,758,533</u>	<u>3,799,862</u>
Total	<u>3,531,355</u>	<u>2,222,861</u>	<u>5,754,216</u>
Reductions:			
Clerk's Cost (transferred to General Fund)	1,231,594	11,820	1,243,414
Refunds to Litigants	426,703	982,059	1,408,762
Other	200,351	-	200,351
Sheriff Fees	<u>232,863</u>	<u>-</u>	<u>232,863</u>
Total Reductions	<u>2,091,511</u>	<u>993,879</u>	<u>3,085,390</u>
Balances, End of Year	<u>\$ 1,439,844</u>	<u>\$ 1,228,982</u>	<u>\$2,668,826</u>

**INTERNAL CONTROL  
AND  
COMPLIANCE**

# R. PERRY TEMPLETON

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

The Honorable Michael Thibodeaux  
Iberia Parish Clerk of Court  
New Iberia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Iberia Parish Clerk of Court's basic financial statements, and have issued my report thereon dated January 26, 2018.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Iberia 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iberia Parish Clerk of Court's internal control. Accordingly, I do not express an opinion on the effectiveness of the Iberia 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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during my audit, I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, significant deficiencies and material weaknesses may exist that have not been identified. I did indentify a certain deficiency in internal control, described in the following schedule of audit findings and Management's Corrective Action Plan that I consider to be a material weakness (2017-1).

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iberia Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of audit results and findings as items 2017-02, 2017-03, and 2017-4.

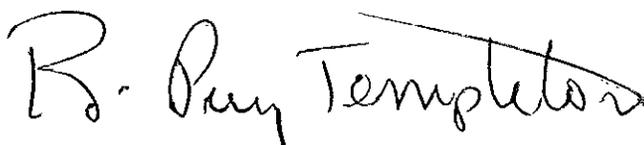
### Iberia Parish Clerk of Court's Response to Finding

The Iberia Parish Clerk of Court's response to findings identified in my audit is described in the accompanying schedule of prior and current audit findings and management's corrective action plan. The Iberia Parish Clerk of Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, I express no opinion on them.

### 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 the Iberia Parish Clerk of Court, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "R. Ray Templeton". The signature is written in a cursive style with a long horizontal line extending from the top of the "T".

New Iberia, Louisiana  
January 26, 2018

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings, and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

**Current Year Audit Findings & Managements Corrective Action Plan**

**Internal Control Over Financial Reporting**

2017-1 (IC) Lack of Controls over Financial Reporting in accordance with GAAP

Condition:

The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recommendation:

Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports. In this case I do not believe the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management's Corrective Action Plan:

Michael Thibodeaux, Clerk of Court has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings, and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

**Compliance**

2017-02 Improper Retainage of Unused Advance Court Costs

Condition:

The Clerk of Court improperly retained unused advance deposit court costs that state law requires to be refunded to the person who originally deposited the monies.

Criteria:

Louisiana Revised Statute (La. R.S.) 13:842(A) requires clerks of court to collect advance costs from plaintiffs when they file lawsuits; advance costs are to be disbursed to the clerk's salary fund or to others as their fees accrue. Advance costs are deposited into the advance deposit fund and are used to pay costs expected to be incurred by the plaintiff during the course of litigation. Advance costs pay for services performed by the clerk of court and other governmental agencies, such as the sheriff's office (e.g., service of process fees). Once incurred, the costs of these services are charged against the plaintiffs' advance deposit and then disbursed to the office that performed the service. Most advance costs are used to pay for services performed by the Clerk of Court's office (e.g., opening civil matters, filing and serving civil pleadings, giving notice, making copies, certifying copies, etc.). Services rendered by the Clerk of Court are charged against advance costs as self-generated fees/income; earned amounts are then transferred from the advance deposit fund to the salary fund and used to pay Clerk of Court salaries, benefits, and other operating expenses.

Once a lawsuit is concluded and all fees and other charges of record are paid, clerks of court are obligated to refund unused advance costs to the plaintiff's attorney. Clerks of court are also required to refund unused advance costs even when a lawsuit is not concluded if no pleadings have been filed and the suit has been completely inactive for five years pursuant to La. R.S. 13:842(B).

Cause:

The condition results in a failure to comply with the state laws regarding advance court costs deposits.

Effect:

The Clerk of Court may not be in compliance with the provisions of La. R.S. 13:842.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings, and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

Recommendations:

I recommend that the Clerk of Court implement policies and procedures to comply with the laws regarding advance deposits of court costs.

Management's Corrective Action Plan:

Per Michael Thibodeaux Clerk of Court, the Clerk of Court's office is implementing procedures for the proper closure of inactive suits. The Clerk of Court is actively reviewing its records to identify suits inactive for five years and is aggressively identifying and properly refunding those advance deposit court costs where there was improper accounting treatment.

Other:

The Louisiana legislative auditor has issued a report dated October 12, 2016 regarding this item. This report is available on their website.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings, and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

2017-03 Failure to Remit Unclaimed Property to State Treasurer

Condition:

The Clerk of Court failed to report and remit unclaimed property to the state treasurer as required by the Louisiana Uniform Unclaimed Property Act.

Criteria:

Louisiana Revised Statute (La. R.S.) 9:151, et seq., 9:154, 9:159 and 9:160 all set forth laws regarding the reporting and remitting of unclaimed property to the state treasurer. This includes remitting unclaimed property to the state treasurer on an annual basis.

Cause:

The condition results in a failure to comply with the state laws regarding remitting unclaimed property to the state treasurer.

Effect:

The Clerk of Court may not be in compliance with the provisions of La. R.S. 9:151, et seq., 9:154, 9:159, and 9:160.

Recommendation:

I recommend that the Clerk of Court implement policies and procedures to comply with the laws regarding identification and remittance of unclaimed property to the State Treasurer.

Management Corrective Action Plan:

Per Mike Thibodeaux Clerk of Court, the clerk of court's office is implementing procedures to properly identify and remit unclaimed property in accordance with the Louisiana Uniform Unclaimed Property Act.

Other:

The Louisiana legislative auditor has issued a report dated October 12, 2016 regarding this item. This report is available on their website.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings, and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

2017-04 Failure to Issue Timely Financial Statements

Condition:

The Clerk of Court failed to issue timely Financial Statements as required by Louisiana Revised Statute 24:513.

Criteria:

Louisiana Revised Statute 24:513 sets forth laws regarding the completion and release of Financial Statements within six months of year end. The report was released subsequent to that due date.

Cause:

The condition results in a failure to comply with the state laws regarding timely issuance of financial statements.

Recommendation:

I recommend that the Clerk of Court implement a corrective action plan including the re-evaluation of its selection process and establish a monitoring system to monitor the progress of its audits.

Management Corrective Action Plan:

Per Mike Thibodeaux, Clerk of Court, the failure to complete and release the Clerk of Court's Financial Statements is primarily due to problems, including illness, with the Clerk of Court's independent auditor. The Clerk of Court is adopting a corrective action plan including the re-evaluation of its selection process and has established a monitoring system to monitor the progress of its audits.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

**Prior Year Findings:**

**Internal Control Over Financial Reporting**

2016-1 (IC) Lack of Controls over Financial Reporting in accordance with GAAP

Finding:

The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.

Status: Unresolved. See item 2017-1.

2016-2 (IC) Improper Retainage of Unused Advance Court Costs

Finding:

The Clerk of Court improperly retained unused advance deposit court costs that state law requires to be refunded to the person who originally deposited the monies.

Status: Unresolved. See item 2017-2.

2016-3 (IC) Failure to Remit Unclaimed Property to State Treasurer

Finding:

The Clerk of Court failed to report and remit unclaimed property to the state treasurer as required by the Louisiana Uniform Unclaimed Property Act..

Status: Unresolved. See item 2017-3.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

**Management Letter Items**

There are no management letter items at June 30, 2017.

**IBERIA PARISH CLERK OF COURT**  
Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2017

**R. PERRY TEMPLETON**

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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Michael Thibodeaux  
Iberia Parish Clerk of Court  
New Iberia, Louisiana

I have performed the procedures enumerated below, which were agreed to by the management of the Iberia Parish Clerk of Court and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Iberia Parish Clerk of Court's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the Iberia Parish Clerk of Court is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Written Policies and Procedures**

---

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

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

*Written policies and procedures were obtained and address the functions noted above.*

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendors 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.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- f) **Contracting**, including (1) types of services requiring written contracts; (2) standard terms and conditions; (3) legal reviews; (4) approval process; and (5) monitoring process.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121; (2) actions to be taken if an ethics violation takes place; (3) system to monitor possible ethics violations; and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

### **Board (or Finance Committee, if applicable)**

2) Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*The Iberia Parish Clerk of Court's office does not maintain minutes; therefore, this is not applicable.*

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

*The Iberia Parish Clerk of Court's office does not maintain minutes; therefore, this is not applicable.*

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

*The Iberia Parish Clerk of Court's office does not maintain minutes; therefore, this is not applicable.*

### **Bank Reconciliations**

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

*Obtained listing of client bank accounts from management and management's representation that listing is complete.*

- 4) Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared.

*Obtained bank statements and reconciliations for all months in the fiscal period for selected accounts noting that reconciliations have been prepared for all months.*

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

*The bank reconciliation for selected accounts examined did not have evidence of management review.*

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

*Obtained bank statements and reconciliations for all months in the fiscal period noting that selected bank accounts tested had checks that have been outstanding for more than six months throughout the year. Neither one of these bank accounts has management documentation reflecting research of these outstanding checks.*

### **Collections**

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

*Obtained listing of cash collection locations and management's representation that listing is complete.*

- 6) Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

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

*In both locations, the person responsible for collecting the cash is not bonded. In both locations, the person responsible for collecting cash does not deposit cash in the bank. In both locations, the person responsible for collecting cash does not prepare the reconciliation.*

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

*Written documentation was obtained and addresses the functions noted above.*

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

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

*In all locations, a total of 12 deposits were not made within one day of collection. Iberia Parish Clerk of Court's current policy is to make deposits daily.*

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

*Daily cash collections are completely supported by collection documentation.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

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

*Listing of disbursements and management's representation that the listing is complete was obtained.*

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

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

*Purchase orders are not used by the Iberia Parish Clerk of Court's office.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Purchase orders are not used by the Iberia Parish Clerk of Court's office.*

- c) Payments for the purchases were not processed within (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) approved invoice.

*Examined supporting documentation for each of the 25 disbursements and found all payments were processed with an approved invoice; however, approved purchase orders and receiving reports were not present in the supporting documentation for any of the disbursements.*

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

*The person responsible for processing payments can also add vendors to the disbursement system.*

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

*Written policies and procedures were obtained and address the functions noted above; however, the person with signatory authority also can initiate purchases.*

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

*Inquiry and observation noted no exceptions.*

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

*A signature stamp or signature machine is not used; therefore, this step is not applicable.*

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

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

*Listing of all active credit cards, including the card numbers and name of person who maintain possessions of cards, and management's representation that the listing is complete was obtained.*

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

*Listing was obtained. The Iberia Parish Clerk of Court's office has only one credit card, so this card was tested.*

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

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

*Monthly statements were obtained and supporting documentation was approved, in writing, by the authorized card holder.*

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

*No finance charges or fees were noted.*

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

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

- An original itemized receipt (i.e. identifies precisely what was purchased):

*No exceptions noted.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*No exceptions noted.*

- Other documentation that may be required by written policy (e.g. purchase order, written authorization).

*No exceptions noted.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e.

transactions are a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*No exceptions noted.*

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

*No exceptions noted.*

### **Travel and Expense Reimbursement**

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

*Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.*

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

*Policies were obtained. No amounts listed exceeded GSA rates.*

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

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

*Expenses were paid in accordance with written policy.*

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*No exceptions noted.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*No exceptions noted.*

- Other documentation as may be required by written policy (e.g. authorization for travel, conference brochure, certificate of attendance).

*No exceptions noted.*

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

*No exceptions reported.*

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

*No exceptions noted.*

## **Contracts**

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

*Listing of all contracts in effect and management's representation that the listing is complete was obtained.*

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

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

*No exceptions made.*

- b) Compare each contract's detail to the Louisiana Public Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g. solicited quotes or bids, advertisement, selected lowest bidder).

*Of the contracts selected, none were subject to the Louisiana Public Bid Law or Procurement Code; therefore, this is not applicable.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*Of the contracts selected, no quotes were solicited as a best practice.*

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

*No amendments noted.*

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

*No noncompliance noted.*

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

*Not applicable.*

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

*Listing of employees with their related salaries and management's representation that the listing is complete was obtained.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*There were no employees terminated, therefore, this step is not applicable.*

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

*No exceptions noted.*

### **Ethics**

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

*No exceptions noted.*

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

*Management asserted that they have received no allegations during the fiscal period.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

*Not applicable.*

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

*Not applicable.*

**Other**

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

*Management has asserted that the entity did not have any misappropriations of public funds or assets.*

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

*Required notices were not posted on the entity's premises and website.*

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

*No exceptions noted.*

I am not engaged to perform, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Iberia Parish Clerk of Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



New Iberia, Louisiana  
January 26, 2018