

PLAQUEMINES PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinions

The Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2019. The unreconciled deposits represent approximately 13 percent of the fiduciary fund type's assets and liabilities at June 30, 2019. Because the Clerk of Court has not reconciled these deposits, it was not practical for us to determine the amount of fees, if any, due to the Advance Deposit Agency Fund from litigants or the amount due to the General Fund from the Advance Deposit Agency Fund for fees earned resulting from suit activity at June 30, 2019. The effects of not reconciling these deposits on the financial statements cannot be reasonably determined.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Clerk of Court, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedule on page 37, schedule of changes in total OPEB liability and related ratios on page 38, schedule of employer's share of net pension liability on page 39, schedule of employer contributions on page 40, or notes to required supplementary information on pages 41-42 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 19, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT

Belle Chasse, Louisiana

Statement of Net Position

June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,414,788
Receivables:	
Accounts, net	10,548
Due from other governmental entities	10,043
Prepaid expenses	<u>2,250</u>
Total current assets	2,437,629
Noncurrent assets:	
Capital assets, net	<u>17,590</u>
Total assets	<u>2,455,219</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to -	
Net pension liability	358,492
OPEB liability	<u>43,644</u>
Total deferred outflows of resources	<u>402,136</u>
LIABILITIES	
Current liabilities:	
Compensated absences payable	<u>30,425</u>
Noncurrent liabilities:	
OPEB obligation payable	1,523,813
Net pension liability	<u>1,142,400</u>
Total noncurrent liabilities	<u>2,666,213</u>
Total liabilities	<u>2,696,638</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to -	
Net pension liability	60,334
OPEB liability	<u>25,079</u>
Total deferred inflows of resources	<u>85,413</u>
NET POSITION	
Net investment in capital assets	17,590
Unrestricted	<u>57,714</u>
Total net position	<u>\$ 75,304</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Activities
Year Ended June 30, 2019

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
Governmental activities:		Charges for Services	Operating Contributions	Governmental Activities
General government	<u>\$ 1,488,761</u>	<u>\$ 1,414,258</u>	<u>\$ 75,339</u>	\$ 836
General revenues:				
Interest and investment earnings				<u>2,059</u>
Change in net position				2,895
Net position- July 1, 2018				<u>72,409</u>
Net position - June 30, 2019				<u>\$ 75,304</u>

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

FUND FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet
Governmental Fund
June 30, 2019

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 2,414,788
Receivables:	
Accounts, net	10,548
Due from other governmental entities	10,043
Prepaid expenditures	<u>2,250</u>
Total assets	<u>\$ 2,437,629</u>
LIABILITIES AND FUND BALANCE	
Other liabilities	<u>30,425</u>
Fund balance:	
Nonspendable - prepaid expenditures	2,250
Unassigned	<u>2,404,954</u>
Total fund balance	<u>2,407,204</u>
Total liabilities and fund balance	<u>\$ 2,437,629</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet (continued)
Governmental Fund
June 30, 2019

Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position:

Total fund balance for the governmental fund at June 30, 2019		\$2,407,204
Cost of capital assets	\$ 211,887	
Less: Accumulated depreciation	<u>(194,297)</u>	17,590
Deferred outflows of resources related to -		
Net pension liability	358,492	
OPEB liability	<u>43,644</u>	402,136
Long-term liabilities		
OPEB obligation payable		(1,523,813)
Net pension liability		(1,142,400)
Deferred inflows of resources related to -		
Net pension liability	(60,334)	
OPEB liability	<u>(25,079)</u>	<u>(85,413)</u>
Total net position of governmental activities at June 30, 2019		<u>\$ 75,304</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended June 30, 2019

	<u>General Fund</u>
Revenues:	
Licenses	\$ 37,739
Fees, charges and commissions for services	1,326,777
Intergovernmental	12,177
Miscellaneous	<u>39,624</u>
Total revenues	<u>1,416,317</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	1,116,150
Operating services	193,281
Material and supplies	68,139
Capital outlay	<u>1,068</u>
Total expenditures	<u>1,378,638</u>
Net change in fund balance	37,679
Fund balance, beginning	<u>2,369,525</u>
Fund balance, ending	<u>\$2,407,204</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended June 30, 2019

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Fund to the Statement of Activities:

Total net change in fund balances for the year ended June 30, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 37,679
Capital outlay costs	1,068	
Less: Depreciation expense	<u>(8,905)</u>	(7,837)
Net change in OPEB expense		(22,174)
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Increase in pension expense	(80,112)	
Nonemployer pension contribution revenue	<u>75,339</u>	<u>(4,773)</u>
Total change in net position for the year ended June 30, 2019 per Statement of Activities		<u>\$ 2,895</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Fudciary Net Position
June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Restricted assets-	
Cash and interest-bearing deposits	<u>\$ 13,603,984</u>
LIABILITIES	
Due to litigants and others	<u>\$ 13,603,984</u>

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Plaquemines Parish Clerk of Court (Clerk of Court) have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The Clerk of Court is a component unit of the Plaquemines Parish Government. The Clerk of Court is fiscally dependent on the Plaquemines Parish Government since the Clerk of Court's offices are located in the Parish Annex Building, the upkeep and maintenance of the building is paid by the Parish Government and certain operating expenditures of the Clerk of Court's office are paid by the Parish Government.

As an independently elected official, the Clerk of Court is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

B. Basis of Presentation

Government-Wide Financial Statements

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 government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to 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 include (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 are presented as general revenues.

Fund Financial Statements

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 of individual funds 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 funds are at least 5 percent of the corresponding total for all governmental 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 operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to 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

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their 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.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. 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. Government-wide fund equity is classified as net position.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Basis of Accounting

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

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 Clerk of Court 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 of Resources, Liabilities, Deferred Inflows of Resources, 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.

Investments

Under state law, the Clerk may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates local government investment pool.

Capital Assets

Capital assets, which include property 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 or more for capitalizing 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.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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
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Compensated Absences

Vacation is provided to all full-time employees and is earned based on length of service. Employees with one to five years of service earn twenty-two days each year. Employees with over five years of service earn twenty-seven days each year. Employees are allowed to carry a maximum of fifteen days unused vacation per year. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation leave at the employee's current rate of pay.

Deferred Outflows/Inflows of Resources

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

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

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 improvement of those assets.
- b. Restricted - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Fund balance for the Clerk of Court's governmental fund (the General Fund) is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) 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 action of the government's highest level of decision-making authority, the Clerk of Court.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent established by the Clerk of Court.
- e. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Clerk of Court's General Fund.

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

LA R.S 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's balance that exceeds one-half of the revenues of the Clerk's last year of her term of office. The potential liability to the parish is limited to the amount received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books.

E. Expenditures and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

F. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available indicating the uncollectibility of the receivable.

(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 States. At June 30, 2019, the Clerk of Court has cash and cash equivalents (book balances) totaling \$16,018,772 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and interest-bearing deposits	\$ 2,414,788	\$ 13,603,984	\$ 16,018,772

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2019 are as follows:

Bank balances	\$ 16,260,122
Federal insurance	\$ 750,000
Collateralized by pledged securities	15,510,122
Total federal insurance and pledged securities	\$ 16,260,122

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Clerk of court does not have a policy to monitor or attempt to reduce exposure to custodial credit risk or to limit the allowable deposits or investments. At June 30, 2019, deposits in the amount of \$15,510,122 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution, or pledging institution's trust department or agent, but not in the Clerk of Court's name.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(3) Receivables and Due from Other Governmental Entities

Receivables and amounts due from other governmental entities at June 30, 2019 consist of the following:

	Receivables	Due from Other Governments
Governmental activities:		
Accounts, net of allowance of \$166	\$ 10,548	\$ -
State of Louisiana:		
Department of Children and Family Svcs	-	1,551
Clerk supplemental compensation fund	-	1,800
Plaquemines Parish Government	-	3,153
Plaquemines Parish Sheriff	-	3,539
	\$ 10,548	\$ 10,043

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2019 is as follows:

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Furniture, fixtures, and equipment	\$ 210,819	\$ 1,068	\$ -	\$ 211,887
Less: Accumulated depreciation	(185,392)	(8,905)	-	(194,297)
Net capital assets	\$ 25,427	\$ (7,837)	\$ -	\$ 17,590

Depreciation expense of \$8,905 was charged to the general government function.

(5) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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 system. 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.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Plan Description

Substantially all employees of the Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund (hereinafter "Fund"), a cost sharing, multiple employer defined benefit pension plan administered by a separate board of trustees.

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 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 following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 65 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3½% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability Benefits

Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of forty percent of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521 (C).

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Survivor Benefits

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

Deferred Retirement Option Plan

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 36 months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP 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 DROP account equal to the payments to the account or a true annuity based upon his account (subject to approval by the Board of Trustees). In addition, the member receives the monthly benefits that were paid into the DROP fund during his period of participation.

If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. The interest earnings are based on the actual rate of return on funds in such accounts. These interest accruals cease upon termination of employment.

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

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 in 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. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate his original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments

The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, 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.

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 19.00%.

Non-employer Contributions

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2018, was \$75,339.

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2019, the Clerk of Court reported liabilities in its government-wide financial statements of \$1,142,400 for its proportionate share of the net pension liabilities of the fund. The net pension liabilities were measured as of June 30, 2018 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Clerk of Court's proportional share of the fund was 0.686827%, which was an increase of 0.007224% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Clerk of Court recognized pension expense of \$210,551.

At June 30, 2019, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 30,318	\$ 11,286
Changes of assumptions	118,692	-
Net difference between projected and actual earnings on pension plan investments	21,806	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,237	49,048
Employer contributions subsequent to the measurement date	130,439	-
	<u>\$ 358,492</u>	<u>\$ 60,334</u>

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Notes to Financial Statements (continued)

The \$130,439 reported as deferred outflows of resources related to pensions resulting from Clerk of Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
2020	\$ 102,813
2021	53,974
2022	(19,883)
2023	<u>30,815</u>
	<u>\$ 167,719</u>

Actuarial 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.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

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Notes to Financial Statements (continued)

	Louisiana Clerks' of Court Retirement and Relief Fund
Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense, including inflation
Projected Salary Increases	5.00%
Inflation Rate	2.50%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females
Expected Remaining Service Lives	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

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

The investment rate of return was 6.75%, which was a .25% decrease from the rate used as of June 30, 2017. The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 7.10%, for the year ended June 30, 2018. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2018 is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.00%
Domestic Equity:		
Large cap domestic equity	21.00%	4.50%
Non-large cap domestic equity	7.00%	4.75%
International Equity:		
Large cap international equity	14.00%	4.75%
Small cap international equity	6.50%	4.50%
Emerging markets	6.50%	6.25%
Real Estate	10.00%	4.00%
Master Limited Partnerships	5.00%	6.00%
Hedge Funds	10.00%	3.50%
	<u>100.00%</u>	

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Notes to Financial Statements (continued)

The discount rate used to measure the total pension liability was 6.75%, which was a .25% decrease from the rate used as of June 30, 2017. 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 the Board of Trustees and the Public Retirement System’s Actuarial Committee (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 to total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate 6.75%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
	<u> </u>	<u> </u>	<u> </u>
Net Pension Liability	\$ 1,746,475	\$ 1,142,400	\$ 641,674

Payables to the Pension Plan:

The Clerk of Court recorded no accrued liabilities related to the Fund for the year ended June 30, 2019.

Retirement Fund Audit Report

The Louisiana Clerks’ of Court Retirement and Relief Fund of Louisiana has issued a standalone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.gov.

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

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

Plan description

The Clerk of Court’s defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk of Court. The Clerk of Court’s OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk of Court. Benefits provided during the fiscal year were through the Louisiana Clerks of Court Insurance Trust (“LCCIT”) and Arthur J. Gallagher, both being a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute §13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the providers board of trustees, with the Clerk of Court determining the contribution requirements of the retirees.

Benefits provided

The Clerk of Court provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree pre-Medicare health Option 1, Medicare Supplement, dental, and life insurance premiums. For pre-Medicare health Option 2, retirees are required to pay the difference between Option 1 and Option 2 premiums. The plan also provides for payment of 50% of dependent premiums. Vision is voluntary and paid 100% by the retiree.

Employees covered by benefit terms

At January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	6
Active employees	10
Total	<u>16</u>

The Clerk of Court’s total OPEB liability of \$1,523,813 was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2018.

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Actuarial assumptions and other inputs.

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.13%
Health Care Cost Trend Rates:	
Medical:	-4.76% in the first year, then 6.75%, decreasing 0.25% per year to an ultimate rate of 5.0%.
Medicare Supplement:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging.
Dental:	-0.69% for 2019, 3.25% for 2020, decreasing 0.25% per year to an ultimate rate of 3.0% for 2021 and later years.
Vision:	-9.98% for 2019, then 3.0% per year.
Retirees' Share of Benefit-Related Costs:	
Medical:	Option 1 for retirees: 0% Option 2 for retirees: Difference Option 1 and 2 50% for dependents.
Medicare Supplement:	0% for retirees and 50% for dependents.
Dental:	0% for retirees and 50% for dependents.
Vision:	100% for retirees and 100% for dependents.
Basic Life Insurance:	0%

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

The discount rate was based on the June 30, 2019 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

Changes in Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 6/30/2018	<u>\$ 1,483,074</u>
Charges for the year:	
Service Cost	32,714
Interest	46,522
Differences between expected and actual experience	(30,095)
Changes in Assumptions/Inputs	50,499
Benefit Payments	<u>(58,901)</u>
Net Changes	<u>40,739</u>
Balance at 6/30/2019	<u><u>\$ 1,523,813</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the Clerk of Court, as well as what the Clerk of Court's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31 percent) or 1-percentage-point higher (4.31 percent) than the current discount rate:

	1% Decrease (2.31%)	Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB Liability	<u>\$ 1,748,864</u>	<u>\$ 1,523,813</u>	<u>\$ 1,339,021</u>

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the Clerk of Court, as well as what the Clerk of Court's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 1,378,681	\$ 1,523,813	\$ 1,705,466

For the year ended June 30, 2019, the Clerk of Court recognized an OPEB expense of \$83,026. At June 30, 2019, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,561	\$ 25,079
Changes in assumptions or other inputs	42,083	-
Total	\$ 43,644	\$ 25,079

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

Year Ended <u>June 30</u>	
2020	\$ 3,791
2021	3,791
2022	3,791
2023	3,791
2024	3,401
	\$ 18,565

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

(7) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Year Ended June 30, 2019			Unsettled Deposits at End of Year
	Unsettled Deposits at Beginning of Year	Additions	Reductions	
Agency funds:				
Advance Deposit	\$ 1,837,102	\$ 842,702	\$ 919,552	\$ 1,760,252
Registry of Court	11,743,466	2,816,049	2,715,783	11,843,732
Totals	\$ 13,580,568	\$ 3,658,751	\$ 3,635,335	\$ 13,603,984

Total amount due to litigants and others are payable from the reported restricted assets.

(8) Compensated Absences

The following is a summary of transactions for the year ended June 30, 2019:

Compensated absences payable, July 1, 2018	\$ 40,279
Additions	(9,854)
Compensated absences payable, June 30, 2019	\$ 30,425

In prior years, compensated absences have typically been liquidated by the Clerk of Court's General Fund.

(9) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

The Clerk of Court's contributions to the Plan for the year ended June 30, 2019 was \$100,753.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(10) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. The Clerk of Court has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Clerk of Court is insured up to policy limits for each of the above risks. There were no significant changes in coverage's, retentions, or limits during the year ended June 30, 2019. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

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

The Clerk of Court's office is located in the Plaquemines Parish Annex building. The Plaquemines Parish Government pays the upkeep and maintenance of the building. In addition, the Parish Government also pays some of the Clerk of Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(12) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Legislative Session amended R.S. 24:513(A) requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to and on behalf of the Clerk of Court, Kim Turlich-Vaughan, for the year ended June 30, 2019, are as follows:

Annual Salary	\$ 148,119
Car allowance	20,213
Benefits - Insurance	15,334
Benefits - Retirement	40,361
Benefits - Deferred compensation match	12,000
Conference travel	3,205
Election expense allowance	<u>1,800</u>
Total	<u>\$ 241,032</u>

REQUIRED SUPPLEMENTARY INFORMATION

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 41,000	\$ 37,000	\$ 37,739	\$ 739
Fees, charges and commissions for services	1,388,000	1,381,590	1,326,777	(54,813)
Intergovernmental	13,000	16,000	12,177	(3,823)
Miscellaneous	40,050	48,400	39,624	(8,776)
Total revenues	<u>1,482,050</u>	<u>1,482,990</u>	<u>1,416,317</u>	<u>(66,673)</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,116,594	1,131,846	1,116,150	15,696
Operating services	201,810	218,640	193,281	25,359
Material and supplies	53,860	68,360	68,139	221
Capital outlay	3,000	2,100	1,068	1,032
Total expenditures	<u>1,375,264</u>	<u>1,420,946</u>	<u>1,378,638</u>	<u>42,308</u>
Net change in fund balance	106,786	62,044	37,679	(24,365)
Fund balance, beginning	<u>2,369,525</u>	<u>2,369,525</u>	<u>2,369,525</u>	<u>-</u>
Fund balance, ending	<u>\$2,476,311</u>	<u>\$2,431,569</u>	<u>\$ 2,407,204</u>	<u>\$ (24,365)</u>

See notes to required supplementary information.

PLAQUEMINES PARISH CLERK OF COURT
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Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended June 30, 2019

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 31,849	\$ 32,714
Interest	52,686	46,522
Differences between expected and actual experience	2,342	(30,095)
Changes in assumptions or other inputs	-	50,499
Benefits payments	<u>(54,758)</u>	<u>(58,901)</u>
Net change in total OPEB liability	<u>32,119</u>	<u>40,739</u>
Total OPEB liability, beginning	<u>1,450,955</u>	<u>1,483,074</u>
Total OPEB liability, ending	<u>\$ 1,483,074</u>	<u>\$ 1,523,813</u>
Covered employee payroll	<u>649,109</u>	<u>681,560</u>
Total OPEB Liability as a percentage of covered employee payroll	<u>228.48%</u>	<u>223.58%</u>

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

PLAQUEMINES PARISH CLERK OF COURT
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Schedule of Employer's Share of Net Pension Liability
Year Ended June 30, 2019

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.642096%	\$ 866,099	\$ 582,641	148.65%	79.37%
2015	0.691087%	\$ 1,036,652	\$ 625,229	165.80%	78.13%
2016	0.735562%	\$ 1,360,771	\$ 671,379	202.68%	74.17%
2017	0.636932%	\$ 963,636	\$ 613,098	157.17%	79.69%
2018	0.686827%	\$ 1,142,400	\$ 637,700	179.14%	79.07%

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

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Schedule of Employer Contributions
Year Ended June 30, 2019

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 115,667	\$ 118,794	\$ -	\$ 625,229	19.00%
2016	\$ 127,562	\$ 127,562	\$ -	\$ 671,379	19.00%
2017	\$ 116,489	\$ 116,489	\$ -	\$ 613,098	19.00%
2018	\$ 121,163	\$ 121,163	\$ -	\$ 637,700	19.00%
2019	\$ 130,439	\$ 130,439	\$ -	\$ 686,520	19.00%

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

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk of Court.

(2) Budget Adoption

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.
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.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Required Supplementary Information (continued)

(3) Retirement Systems

1. Changes of benefit terms – There were no changes of benefit terms.
2. Changes of assumptions –

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.25%	7.25%	2.75%	5	5.75%
2016	7.00%	7.00%	2.50%	5	5.00%
2017	7.00%	7.00%	2.50%	5	5.00%
2018	7.00%	7.00%	2.50%	5	5.00%
2019	6.75%	6.75%	2.50%	5	5.00%

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

(4) Other Postemployment Benefits

1. Changes of Benefit Terms- None
2. Changes of Assumptions- Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>Period</u>	<u>Discount Rate</u>
2018	3.62%
2019	3.13%

3. No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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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 Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Plaquemines Parish Government, as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the Clerk of Court's basic financial statements, and have issued our report thereon dated December 19, 2019. We expressed modified opinions on the financial statements of the Clerk of Court's governmental activities, major fund, and aggregate remaining fund information because the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2019-001 and 2019-002, that we consider to be material weaknesses.

Compliance and Other Matters

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

Clerk of Court's Responses to Findings

The Clerk of Court's responses to the findings identified in our audit are described in the accompanying corrective action plan for current audit findings. The Clerk of Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 19, 2019

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings
Year Ended June 30, 2019

Part I. Summary of Auditor's Results

Financial Statements

1. Type of auditor's opinion issued on financial statements:

Opinion Unit	Type of Opinion
Governmental activities	Modified
Major funds:	
General	Modified
Aggregate remaining fund information	Modified

2. Internal control over financial reporting:

Material weakness(es) identified?	<u> x </u>	yes	<u> </u>	no
Significant deficiency(ies) identified?	<u> </u>	yes	<u> x </u>	none reported

3. Noncompliance material to the financial statements? yes x no

Other

4. Management letter issued? yes x no

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2019

Part II. Findings Reported in accordance with *Governmental Auditing Standards*:

A. Internal Control

2019-001 Segregation of duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process affected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

YEAR INITIALLY OCCURRING: Unknown

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2019

2019-002 Reconciliation of docket balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund have not been reconciled with the related cash deposits.

CRITERIA: Internal control is a process affected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the condition is the failure to reconcile individual suit docket balances to the related cash deposits.

EFFECT: Failure to reconcile docket balances with the related cash deposits increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

YEAR INITIALLY OCCURRING: Unknown

RECOMMENDATION: We recommend that the Clerk of Court attempt to reconcile the individual suit dockets with the related cash balances.

Part III. Findings and Questioned Costs Reported in Accordance with Uniform Guidance:

The requirements of the Uniform Guidance do not apply to the Clerk of Court.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

A. Internal Control Findings –

2018-001- Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT’S RESPONSE: N/A

CURRENT STATUS: See schedule of audit results and findings item 2019-001.

2018-002- Reconciliation of Docket Balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.

MANAGEMENT’S RESPONSE: The Clerk of Court continues the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund. These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

CURRENT STATUS: See schedule of audit results and findings item 2019-002.

B. Compliance Findings –

No findings were reported under this section.

C. Uniform Guidance –

No applicable in prior period.

D. Management Letter –

Not issued in prior period.

CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

APPENDIX A



Kim Turlich-Vaughan

Clerk of Court & Ex-Officio Recorder
Twenty-Fifth Judicial District
Parish of Plaquemines

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Fax (504) 934-6629
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301 Main Street
P.O. Box 40
Belle Chasse, LA 70037

CAROL A. ROBERTS
Chief Deputy Clerk

December 19, 2019

Kolder, Slaven & Company, LLC
1201 David Drive
Morgan City, LA 70380

The following is in response to the finding resulting from the Plaquemines Parish Clerk of Court's (hereinafter "Clerk") audit for the fiscal year ended June 30, 2019:

2019-001 Segregation of Duties

Accounting and financial functions are not adequately segregated.

Management's Response

Corrective Action Plan: Due to the relatively small size of the Clerk's operations, it is not feasible to hire additional personnel to achieve complete segregation of duties.

2019-002 Reconciliation of docket balances

Certain individual suit docket balances in the Advance Deposit Agency Fund have not been reconciled with the related cash deposits.

Management's Response

Corrective Action Plan: We will attempt to reconcile the individual suit dockets with the related cash balances and seek the opinion of legal counsel regarding balances which may not be identifiable.

Name of contact person responsible for corrective action: Kim Turlich-Vaughan, Clerk of Court

Anticipated completion date for the corrective action: 6/30/2020

Sincerely,

Kim Turlich-Vaughan
Clerk of Court

Plaquemines Parish Clerk of Court

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2018 through June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Honorable Kim Turlich Vaughan, Plaquemines Parish Clerk of Court and
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court") and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019, as required by the *Louisiana Governmental Audit Guide*. The Clerk of Court's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures and associated exceptions are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

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 vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above, with the exception of (2) how vendors are added to the vendor list and (3) preparation and approval process of purchase requisitions and purchase orders. However, these functions are not applicable to the Clerk of Court's operations.

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

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

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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 review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and address the functions noted above with the exception of (1) types of services requiring written contracts, (2) standard terms and conditions and (3) legal review.

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

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, with the exception of dollar thresholds by category of expense. However, categories do include the rate at which reimbursement will be considered.

- 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.

Written policies and procedures were obtained but do not address the functions noted above.

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

Although not applicable to the Clerk of Court's operations, written policies and procedures were obtained and address the functions noted above. Written policies and procedures were formally adopted on June 27, 2019.

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

Written policies and procedures could not be provided.

Board or Finance Committee

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Not applicable – Clerk of Court is an independently elected parish official.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Not applicable – Clerk of Court is an independently elected parish official.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable – Clerk of Court is an independently elected parish official.

Bank Reconciliations

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

Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account and four (4) additional accounts were randomly selected. Obtained and inspected the corresponding bank statements and reconciliations for each account.

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

The bank reconciliation for one (1) of the five (5) accounts selected was not prepared. The bank reconciliations for three (3) of the five (5) accounts selected did not evidence date of preparation.

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

The bank reconciliations for four (4) of the five (5) accounts selected were prepared and/or reviewed by a member of management who is responsible for handling cash, posting ledgers, and/or issuing checks.

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

No exceptions were found as a result of this procedure.

Collections (excluding EFTs)

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

Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared from management and management's representation that the listing is complete. Selected the one (1) deposit site.

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

Obtained a listing of collection locations for the Clerk of Court's deposit site from management and management's representation that the listing is complete. Selected the Clerk of Court's one (1) collection location.

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

Employees that are responsible for cash collections share cash drawers/registers.

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

Employee responsible for collecting cash is also responsible for preparing/making bank deposits, without another employee/official responsible for reconciling collection documentation to the deposit.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Management asserted that employees who have access to cash are not covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

Randomly selected two (2) deposit dates for the selected bank accounts under procedure #3 and obtained supporting documentation for each of the deposits.

- a) Observe that receipts are sequentially pre-numbered.
No exceptions were found as a result of this procedure.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions were found as a result of this procedure.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions were found as a result of this procedure.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
One (1) deposit selected was made in (2) business days of receipt.
- e) Trace the actual deposit per the bank statement to the general ledger.
No exceptions were found as a result of this procedure.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments for the fiscal period from management and management's representation that the listing is complete. Selected the Clerk of Court's one (1) location.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
Obtained a listing of employees involved in non-payroll purchasing and payment functions and obtained a description of employee job duties based on written documentation and/or inquiry.
 - a) At least two employees are involved in initiating a purchase request, approving a purchase and placing an order/making the purchase.
No exceptions were found as a result of this procedure.
 - b) At least two employees are involved in processing and approving payments to vendors.
Two employees are involved in processing and approving nonroutine purchases. However, only one individual may be involved in processing and approving routine purchases.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
Employee responsible for processing payments is not prohibited from adding/modifying vendor files, without another employee responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
No exceptions were found as a result of this procedure.

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

Obtained a listing of the Clerk of Court's disbursement population from management and management's representation that the listing is complete. Randomly selected five (5) disbursements.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure, as applicable to the Clerk of Court's operations.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

NOTE: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

NOTE: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

NOTE: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

NOTE: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

NOTE: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

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

Debt Service

NOTE: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

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

Other

NOTE: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Management's Response

The Clerk of Court concurs with the exceptions and is working to address the deficiencies identified.

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

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the Clerk of Court's management and the LLA and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose 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 LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants