

ST. LANDRY PARISH CLERK OF COURT

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

ST. LANDRY PARISH CLERK OF COURT
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J. WALKER & COMPANY_{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

The Honorable Charles Jagneaux
St. Landry Parish Clerk of Court
Opelousas, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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.

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Opinion

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

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison schedule and schedules of funding progress, employer's share of net pension liability and employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context, 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 my inquiries, the basic financial statements and other knowledge we obtained during my audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters - Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Landry Parish Clerk of Court's basic financial statements. The combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 07, 2018, on our consideration of the St. Landry Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Landry Parish Clerk of Court's internal control over financial reporting and compliance.

J. Walker & Company, APC

Lake Charles, Louisiana

December 07, 2018



Management's Discussion and Analysis

ST. LANDRY PARISH CLERK OF COURT

Management's Discussion and Analysis For the Year Ended June 30, 2018

The purpose of the Management's discussion and analysis (MD&A) is to introduce the basic financial statements and provide an analytical overview of the St. Landry Parish Clerk of Court's financial activities. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements beginning on page 8.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

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

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

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

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

The government-wide financial statements can be found on pages 8-9 of this report.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Clerk of Court's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year. Because the view of governmental funds is short-term government-wide financial statements are long-term; it is useful to compare these two perspectives. The governmental funds provide reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints. These statements can be found on pages 10-13 of this report.

ST. LANDRY PARISH CLERK OF COURT

Management's Discussion and Analysis For the Year Ended June 30, 2018

Fiduciary Funds. The Clerk of Court is the trustee, or fiduciary, over assets which can only be used for the trust beneficiaries; these include advance deposits, registry of court and indigent transcript funds. The activity of these funds are reported separately in the statement of fiduciary net position on page 16 and schedule of changes in fiduciary net position found in supplementary information. These activities are excluded from government-wide and fund financial statements because the assets of fiduciary funds cannot be used to finance operations of the Clerk.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are found on page 15.

FINANCIAL ANALYSIS OF THE CLERK OF COURT

The deficit from FY2017 to FY2018 increased by \$2,778,625. These deficits arose primarily because of the implementation of accounting for pension obligations and not because of poor cash management. A comparison with the prior year follows:

SUMMARY OF NET POSITION Governmental Activities

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Current and other assets	\$ 2,975,844	\$ 2,048,792
Capital assets, net	<u>49,892</u>	<u>13,779</u>
Total Assets	<u>3,025,739</u>	<u>2,062,571</u>
Deferred outflows of resources	295,043	576,330
<u>Liabilities</u>		
Current liabilities	9,604	7,445
Long-term liabilities	<u>7,623,955</u>	<u>4,048,819</u>
Total Liabilities	<u>7,633,559</u>	<u>4,056,244</u>
Deferred inflows of revenues	196,312	290,237
<u>Net Position</u>		
Net Investment in capital assets	49,892	13,779
Unrestricted (Deficit)	<u>(4,508,984)</u>	<u>(1,730,359)</u>
Total Net Position	<u>\$(4,459,089)</u>	<u>\$ (1,716,580)</u>

ST. LANDRY PARISH CLERK OF COURT

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

**SUMMARY OF CHANGES IN NET POSITION
Governmental Activities**

Total Revenues increased by \$283,710, due in part to increase fees charged for services, while expenditures increased by \$394,923. A summary of changes follow:

	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Charges for services	\$ 3,691,856	\$ 3,355,594
General revenues:		
Interest earned	25,205	14,343
Other revenues	47,017	1,298
Total revenues	<u>3,764,078</u>	<u>3,371,235</u>
<u>Expenses</u>		
General government	<u>\$ 2,808,353</u>	<u>\$ 3,162,550</u>
Change in net position	953,940	208,685
Net position, beginning	<u>(5,413,029)</u>	<u>1,507,894</u>
Net position, ending	<u>\$(4,459,089)</u>	<u>\$ 1,716,579</u>

BUDGETARY HIGHLIGHTS

The Clerk of Court received \$391,058 more in revenues than it anticipated during the current year. Expenditures were \$83,925 more than the amount budgeted amounts. There was a budget amendment during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: The Clerk of Court's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2018 and 2017, was \$49,892 and \$13,779. There was \$36,113 in additions during the year.

Capital assets at year-end are summarized as follows:

	CAPITAL ASSETS Net of Accumulated Depreciation Governmental Activities	
	<u>2018</u>	<u>2017</u>
Depreciable Assets		
Equipment and Furniture, net	<u>\$ 49,892</u>	<u>\$ 13,779</u>

ST. LANDRY PARISH CLERK OF COURT

Management's Discussion and Analysis For the Year Ended June 30, 2018

LONG -TERM DEBT

Long-term obligations of the Clerk include \$5,528,296 in post-employment benefits for the year ended June 30, 2018, an increase of \$3,845,375 which is the annual required contribution based on actuarial estimations less contributions made during the year. There is also \$47,039 in leave earned by employees as of year-end for which time has not been taken.

Also reported is the Clerk's proportionate share of pension liability totaling \$2,048,620 and \$2,322,019 at June 30, 2018 and 2017, respectively. This liability is being reported in accordance with GASB Statement No. 68 implemented in the prior year. Also associated with this obligation are deferred outflows of \$272,287 and deferred inflows of \$188,268 at June 30, 2018.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Clerk of Court's finances, comply with finance-related laws and regulations and demonstrate the Clerk of Court's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the St. Landry Parish Clerk of Court, 118 S. Court St., Opelousas, Louisiana 70570.

Basic Financial Statements

ST. LANDRY PARISH CLERK OF COURT

Statement of Net Position
For the Year Ended June 30, 2018

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,896,631
Investment	50,000
Receivables, net	76,470
Due from other funds	2,743
Capital assets, net of accumulated depreciation	<u>49,895</u>
 Total Assets	 <u>3,075,739</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>	
Related to pension	295,043
 <u>LIABILITIES</u>	
Accounts payable	9,604
Compensated absences	47,039
Other post-employment benefits payable	5,528,296
Net pension liability	<u>2,048,620</u>
 Total Liabilities	 <u>7,633,559</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to pension	188,268
Related to OPEB	8,044
 <u>NET POSITION</u>	
Net investment in capital assets	49,895
Unrestricted (Deficit)	<u>(4,508,984)</u>
 Total Net Position	 <u>\$ (4,459,089)</u>

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

ST. LANDRY PARISH CLERK OF COURT

Statement of Activities
For the Year Ended June 30, 2018

Activities	Expense	Program Revenue			Revenue
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Changes in Net Governmental Activities
Governmental activities:					
General government	\$ 2,688,789	\$ 3,572,292	\$ -	\$ -	\$ 883,503
Intergovernmental	119,564	119,564			-
Total governmental activities	<u>2,808,353</u>	<u>3,691,856</u>	<u>-</u>	<u>-</u>	<u>883,503</u>
General revenues:					
Interest					25,205
Other revenues					<u>45,232</u>
Total general revenues and transfers					70,437
Change in net position					953,940
Net position - July 1, 2017, restated					(5,413,029)
Net position - June 30, 2018					<u>\$ (4,459,089)</u>

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

ST. LANDRY PARISH CLERK OF COURT

Balance Sheet
Governmental Funds
For the Year Ended June 30, 2018

General Fund

ASSETS

Cash and cash equivalents	\$ 2,896,631
Investment	50,000
Accounts receivable, net	76,470
Due from other funds	<u>2,743</u>
Total Assets	<u>\$ 3,025,844</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable	\$ 9,604
Fund Balance:	
Unassigned	<u>3,016,239</u>
Total Liabilities and Fund Balances	<u>\$ 3,025,844</u>

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

ST. LANDRY PARISH CLERK OF COURT

Reconciliation of the Governmental Fund Balance
to the Government Wide Statement of Activities
For the Year Ended June 30, 2018

Total Fund Balances – Governmental Funds	\$ 2,966,239
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation reported on the Statement of Net Position	
	49,895
Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the Clerk’s governmental activities:	
Compensated absences	(47,039)
Other post-employment benefits	(5,528,296)
Net pension liability	(2,048,620)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources related to pensions	295,044
Deferred inflows of resources related to pensions	<u>(188,268)</u>
Total Net Position – Governmental Activities	<u>\$ (4,501,045)</u>

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

ST. LANDRY PARISH CLERK OF COURT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30,2018

REVENUES

Intergovernmental revenues	\$ 119,564
Charges for services:	
Court costs and fees	2,159,060
Certified copies and data processing	147,924
Licenses	13,602
Recording fees	1,249,921
Interest earned	25,205
Other revenues	<u>47,017</u>
 Total Revenues	 3,762,293

EXPENDITURES

General government	
Personal services	160,679
Employee and related expenses	1,371,262
Materials/supplies	124,639
Professional services	466,829
Capital outlay	<u>22,751</u>
 Total Expenditures	 <u>2,146,160</u>
 Change in Fund Balance	 1,616,133
Fund Balance, beginning	<u>1,716,579</u>
 Fund Balance, ending	 <u>\$ 3,332,712</u>

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

ST. LANDRY PARISH CLERK OF COURT

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balance – Governmental Funds	\$ 1,616,133
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period	
Depreciation	(14,003)
Capital Outlay	22,751
Governmental funds report payments on long-term obligations as expenditures. However, in the Statement of Activities, these payments are recognized as decreases in the long-term debt. This is the change in long-term obligations during the year.	
Compensated absences	(3,160)
Pension	(458,240)
Other post-retirement benefits	<u>(209,542)</u>
Total Net Position – Governmental Activities	<u>\$ 953,940</u>

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

ST. LANDRY PARISH CLERK OF COURT

Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,778,157
Total Assets	<u>\$ 3,778,157</u>
<u>NET POSITION</u>	
Due to other funds	\$ 2,743
Held in trust for others	<u>3,775,414</u>
Total Net Position	<u>\$ 3,778,157</u>

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

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Introduction

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

Note 1 – Summary of Significant Accounting Policies

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

The following is a summary of certain significant accounting policies:

Financial Reporting Entity:

Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry Parish. The Clerk, therefore, is considered a component unit of the St. Landry Parish Police Jury. It has been determined that the financial statements of the Police Jury would be misleading if data of the Clerk is not included because of the nature or significance of the relationship. The accompanying financial statements, however, present only the transactions of the St. Landry Parish Clerk of Court.

Basic Financial Statements – Government-Wide Statements:

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

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

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

Eliminating Internal Activity

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

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Capitalizing Assets

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

Using the requirements of GASB Statement No. 34, the Clerk is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively at the time of adoption of this statement. The Clerk does not have any infrastructure assets and opted not to retroactively report these types of capital assets.

Program Revenues

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

Allocation of Indirect Expenses

The Clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the “general administration” function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Restricted Net Position

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

Basic Financial Statements – Fund Financial Statements:

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

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

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Governmental Fund Type:

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

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's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund Type:

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

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

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

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

Basis of Accounting/Measurement Focus:

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

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

Accrual

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

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Modified Accrual

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

Budgets and Budgetary Accounting

The Clerk adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. Appropriations lapse at year-end. There were amendments made to the budget during the fiscal year ended June 30, 2018.

Cash and Cash Equivalents

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

Investments

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

Inventory

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

Receivables

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

Use of Estimates

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

Capital Assets

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

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Compensated Absences

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

Vacation leave - All full-time employees of the Clerk earn vacation leave at a rate of 2 to 4 weeks each year, depending upon their length of service.

Sick leave - Sick leave, referred to as personal leave, is earned at a rate of one day per month employed. Personal leave is typically used in the month in which it is earned unless an illness requires additional time off. Accumulated personal leave is not paid upon termination from employment.

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

Long-Term Obligations

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

Pension Plan

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

Net Position/Fund Balances

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

This category represents net position not appropriable for expenditures or legally segregated for a specific future use. In the Balance Sheet of governmental funds, fund balances are segregated as follows

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Non-spendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

Inter-fund Transactions

All inter-fund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

Note 2 – Cash and Cash Equivalents

Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At June 30, 2018, the Clerk of Court has cash and cash equivalents (book balances) totaling \$6,941,065.

Petty cash	\$ 250
Interest-bearing demand deposit	5,151,031
Money market savings	<u>1,523,507</u>
Total	<u>\$ 6,674,788</u>

Of this amount, \$1,570,067 is held by the Advance Deposit and Registry of Court Funds.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance

ST. LANDRY PARISH CLERK OF COURT

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Note 2 – Cash and Cash Equivalents (Continued)

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

All deposits of the Clerk are covered by insurance (FDIC) or collateralized with securities that are held by and in the entity’s name or registered in the entity’s name. Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the Clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk’s name. There is \$1,250,000 money market held by fiduciary funds.

Note 3 – Investments

Investments at June 30, 2018, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Carrying Value</u>
Certificates of Deposit	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Note 4 - Receivables

The net receivables, with the exception of inter-fund transactions, at June 30, 2018, are as follows:

Charges for Services	<u>\$ 76,470</u>
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Note 5 – Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements, but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method.

Capital asset activity for the year ended June 30, 2018, is as follows:

<u>Capital Assets Being Depreciated</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Furniture/Equipment	\$ 210,483	\$ 50,317	\$ 54,515	\$ 206,285
Less: Accumulated Depreciation	<u>196,704</u>	<u>14,200</u>	<u>54,515</u>	<u>156,389</u>
Net Furniture/Equipment	<u>\$ 13,779</u>	<u>\$ 36,117</u>	<u>\$ -</u>	<u>\$ 49,896</u>

All depreciation expense was charged to government activities.

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 6 – Accounts Payable and Other Payables

The accounts payable, with the exception of inter-fund and intergovernmental transaction, at June 30, 2018 are as follows:

Accounts Payable	\$ 9,604
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Fiduciary funds had unsettled deposits and other payables held in trust for others of \$4,518,837 at June 30, 2018.

Note 7 – Intergovernmental Transactions

Intergovernmental revenues of the general fund for the year ended June 30, 2018, was as follows:

State supplement	\$ 23,350
Inter-governmental transfer	38,796
LA Department of Elections	<u>57,419</u>
Total	<u>\$ 119,564</u>

Note 8 – On-behalf Payments

Certain operating expenditures of the Clerk are paid by the St. Landry Parish Police Jury and are not included in the accompanying financial statements.

Note 9 - Leases

There are no operating or capital leases reported in the accompanying financial statements.

Note 10 – Annual and Sick Leave

All employees of the Clerk of Court's office earn from two to four weeks of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the Clerk's office earn one day per month of sick leave. Employees are not paid for accumulated sick leave upon termination of employment.

Note 11 – Risk Management

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering professional liability and surety bond coverage. In addition to the above policies, the Clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

Note 12 – Pension Plan

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

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 12 – Pension Plan (Continued)

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

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

(1) A member who is totally and permanently disabled solely as a result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, 2.5 percent of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$25 for each year of his credited service or 2/3 of his monthly average final compensation, whichever is less.

(2) A member who has 10 or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to 3% of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$35 for each year of credited service or 80% of his monthly average final compensation, whichever is less.

Effective for applications approved or payable on or after June 30, 2008, employees that have been officially certified as totally and permanently disabled pursuant to La. R.S. 11:218 and either (1) the disability was caused solely as a result of injuries sustained in the performance of his/her official duties; or (2) the employee has at least 10 years of service credit are eligible for disability benefits. The member shall be paid the greatest of 40% of their monthly average final compensation or 75% of their monthly regular retirement benefit computed pursuant to La. R.S. 11:1521(c).

For members leaving covered employment before attaining early retirement age but after completing 12 years of credited service become eligible for a deferred allowance provided, he lives to the minimum service retirement age and does not withdraw his accumulated contributions accumulated contributions are paid to his designated beneficiary. If a member has 5 or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

survivor benefit, the surviving spouse may elect benefits payable immediately reduced 1/4 of 1% for each month by which payments commence in advance of the member's earliest normal retirement age. If a

Note 12 – Pension Plan (Continued)

member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid 1/2 of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan (DROP). In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in DROP for up to 36 months and defer the receipt of benefits. During the year ended June 30, 2007, participants had to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefit that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account.

Upon termination of employment at the end of the specified period of participation, a participant may receive, at his option, a lump sum payment. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from DROP equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal methods of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

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

Contributions - Contribution requirements are actuarially determined each year. For the year ending June 30, 2018, the Clerk's rate was 19% of annual covered payroll while the employees contributed 8.25%. Contributions to the Fund also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The Clerk of Court's contributions to the system for the years ending June 30, 2018, 2017 and 2016, were \$232,096, \$224,174 and \$217,672, respectively.

ST. LANDRY PARISH CLERK OF COURT

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Pension Liabilities, Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions - At June 30, 2018, the Clerk reported a liability of \$2,048,620 for its proportionate share of the Fund's net

Note 12 – Pension Plan (Continued)

pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Clerk's proportion at that date was 1.354071%.

Pension expense of \$232,096 was recognized for the year ended June 30, 2018. Deferred outflows and inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual results	\$ 62,041	\$ 53,757
Changes of assumptions	89,347	-
Net difference between projected and actual earnings on plan investments	28,056	-
Changes in proportion and differences between Clerk's contributions and proportionate share of contributions	115,599	134,511
Clerk's contributions subsequent to the measurement date	<u>232,096</u>	<u>-</u>
 Total	 <u>\$ 527,139</u>	 <u>\$ 188,268</u>

Actuarial Assumptions - The total pension liability in the June 30, 2018, actuarial valuation was determined using the entry age normal cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.0%, net of investment expenses, including inflation
Projected salary increase	5.0%
Expected remaining service life	5 years

Mortality rates were based on the RP-2000 combined healthy mortality table (set back 4 years for males and 3 year for females) and the RP-2000 disabled lives mortality table. 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.

Discount Rate - The discount rate used to measure total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 12 – Pension Plan (Continued)

Sensitivity of the Clerk's Proportionate Share of Net Pension Liability to Changes in Discount Rate. The following presents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% decrease	6.0%	\$ 3,135,124
Current discount rate	7.0%	2,048,620
1% increase	8.0%	1,126,217

Additional information can be obtained in the annual publicly -available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Feliciana, Louisiana 70816, by calling (225) 293-1162 or obtained on the website - www.laclerksofcourt.org.

Note 13 – Deferred Compensation Plan

All of the employees of the Clerk are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$16,500 per year) to the plan on a pre-tax basis. The contributions are withheld from the employee's paycheck and the Clerk matches up to \$300 per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each payday where they are deposited to an account in the employee's name. The Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2018, the Clerk's matching funds totaled \$45,206.

Note 14 – Other Post-Employment Benefits

Plan description: The Clerk'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. The Clerk's OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk. Benefits are provided through the Louisiana Clerks of Court Insurance Trust ("LCCIT"), 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 LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

Benefits provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 50% of dependent pre Medicare health, Medicare Supplement, vision, dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 10 – Other Post-Employment Benefits (Continued)

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

Inactive employees currently receiving benefits payments	20
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>28</u>
Total	<u>48</u>

Total OPEB Liability

The Clerk's total OPEB liability of \$1,157,356 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018.

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

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.62%
Health Care Cost Trend Rates	
Medical:	Initially 7.5%, 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:	Initially 3.5%, decreasing 0.25% per year to an ultimate rate of 3.0%.
Vision:	3.0% per year
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 50% for dependents.
Medicare Supplement:	0% for retirees and 50% for dependents.
Dental:	0% for retirees and 50% for dependents.
Vision:	0% for retirees and 50% for dependents.
Basic life Insurance:	0%

The discount rate was based on the 6/30/2018 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

ST. LANDRY PARISH CLERK OF COURT

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Note 10 – Other Post-Employment Benefits (Continued)

Mortality rates for retirees and surviving spouses were based on the RPH-2014 Healthy Annuitant Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

Changes in the Total OPEB Liability for June 30, 2018

Service Cost	\$ 87,123
Interest	196,867
Changes of benefit terms	-
Differences btwn expected and actual experience	(9,384)
Changes in assumptions or other inputs	-
Benefit payments	<u>(195,004)</u>
Net Change in Total OPEB Liability	<u>79,601</u>
Total OPEB Liability - beginning	<u>5,448,695</u>
Total OPEB Liability - end	<u>\$ 5,528,296</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (5.62 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(2.62%)</u>	<u>(3.62%)</u>	<u>(4.62%)</u>
Total OPEB Liability	\$6,392,971	\$5,528,296	\$4,825,339

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

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$4,905,292	\$5,528,296	\$5,962,396

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 10 – Other Post-Employment Benefits (Continued)

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

For the year ended June 30, 2018, the Clerk recognized an OPEB expense of \$282,649. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between actual and expected experience	\$ -	\$ 8,044.00
Changes of assumptions or other inputs	-	-
Employer amounts for OPEB subsequent to measurement date	<u>-</u>	<u>-</u>
Total Deferred Outflows and Inflows	<u>\$ -</u>	<u>\$ 8,044.00</u>

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 June 30:	
2019	(1341)
2020	(1341)
2021	(1341)
2022	(1341)
2023	(1341)
Thereafter	(1341)

Note 15 – Long-Term Obligations

Long-term liabilities include the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Compensated Absences	\$ 43,879	\$ 3,160	\$ -	\$ 47,039
Post-employment benefits	1,682,921	3,845,375	-	5,528,296
Net pension liability	<u>2,322,019</u>	<u>-</u>	<u>273,399</u>	<u>2,048,620</u>
Total	<u>\$ 4,048,819</u>	<u>\$ 3,848,535</u>	<u>\$ 273,399</u>	<u>\$ 7,623,559</u>

Note 16 – Deficit Net Position

As a result of implementing GASB No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, the Clerk's net position was a deficit of \$4,501,045. Reporting for governmental funds provided for a positive fund balance of \$2,041,368.

ST. LANDRY PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2018

Note 17 – Related Party Transactions

There were no related party transactions requiring disclosure.

Note 18 – Litigation and Claims

There is no litigation that would require disclosure in the accompanying financial statements.

Note 19 – Expenditures

The St. Landry Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the St. Landry Parish Police Jury.

ST. LANDRY PARISH CLERK OF COURT

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30,2018

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 119,564	\$ (5,436)
Charges for services:				
Court costs and fees	1,709,000	2,160,000	2,159,060	(940)
Certified copies	200,000	145,000	147,924	2,924
Licenses	16,000	14,000	13,602	(399)
Recording fees	1,000,000	1,225,000	1,249,921	24,921
Interest earned	4,000	25,000	25,205	205
Other revenue	40,000	45,000	47,017	2,017
Total Revenues	<u>3,094,000</u>	<u>3,739,000</u>	<u>3,762,293</u>	<u>23,293</u>
Expenditures:				
Current				
General government	2,836,000	2,730,745	2,814,670	(83,925)
Capital outlay	15,000	15,000	22,751	(7,751)
Total Expenditure	<u>2,851,000</u>	<u>2,745,745</u>	<u>2,837,421</u>	<u>(91,676)</u>
Change in Fund Balance	243,000	993,255	924,871	8,402
Fund Balance, Beginning	<u>2,041,367</u>	<u>2,041,367</u>	<u>2,041,367</u>	<u>-</u>
Fund Balance, ending	<u>\$ 2,284,367</u>	<u>\$ 3,034,622</u>	<u>\$ 2,966,239</u>	<u>\$ 8,402</u>

See Independent Auditors' Report.

ST. LANDRY PARISH CLERK OF COURT

Schedule of Funding Progress
For the Year Ended June 30, 2018

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2016	\$0	\$4,292,489	\$ 4,292,489	0.00%	\$1,484,941	289.07%
6/30/2017	0	4,292,489	4,292,489	0.00%	1,597,209	268.75%
6/30/2018	0	4,292,489	4,292,489	0.00%	1,663,503	258.04%

See Independent Auditors' Report

ST. LANDRY PARISH CLERK OF COURT

**Schedule of Employer's Share of Net pension Liability
For the Year Ended June 30, 2018**

Louisiana Clerks of Court Retirement	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	1.35%	1.25%	1.31%	1.50%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,048,620	\$ 2,322,019	\$ 1,967,791	\$ 1,641,824
Employer's Covered-Employee Payroll	1,466,211	1,663,503	1,597,209	1,484,981
Employer's Proportionate Share of the Net Pension Liability (Asset)				
Liability (Asset) as a Percentage of its Covered Payroll	139.72%	139.50%	123.20%	110.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.69%	74.17%	78.13%	79.37%

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

ST. LANDRY PARISH CLERK OF COURT

Schedule of Employer Contributions
For the Year Ended June 30, 2018

Year Ended June 30,	Contractually Required Contributions	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions As a Percentage of Employee Payroll
			-		
2018	\$ 232,096	\$ 278,580	(46,484)	\$ 1,466,291	19.00%
2017	316,065	316,065	-	1,663,503	19.00%
2016	170,091	225,495	(55,404)	1,597,209	14.12%
2015	217,898	259,218	(41,320)	1,484,941	17.46%

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

OTHER SUPPLEMENTAL INFORMATION

ST. LANDRY PARISH CLERK OF COURT

Combining Statement of Fiduciary Net Position
 Agency Funds
 For the Year Ended June 30, 2018

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Jury Commission Fund</u>	<u>Qualification Fee Fund</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 1,570,067	\$ 1,523,507	\$ 683,801	\$ 772	\$ 10	\$ 3,778,157
Total Assets	<u>1,570,067</u>	<u>1,523,507</u>	<u>683,801</u>	<u>772</u>	<u>10</u>	<u>\$ 3,778,157</u>
<u>NET POSITION</u>						
Due to other funds	2,733	-	-	-	10	\$ 2,743
Held in trust for other	<u>1,567,334</u>	<u>1,523,507</u>	<u>683,801</u>	<u>772</u>	<u>-</u>	<u>3,775,414</u>
Total Net Position	<u>\$ 1,570,067</u>	<u>\$ 1,523,507</u>	<u>\$ 683,801</u>	<u>\$ 772</u>	<u>\$ 10</u>	<u>\$ 3,778,157</u>

ST. LANDRY PARISH CLERK OF COURT

Schedule of Changes in Fiduciary Net Position
 Agency Funds
 For the Year Ended June 30, 2018

	Advance Deposit Fund	Registry of Court Fund	Civil Jury Fund	Jury Commission Fund	Qualification Fee Fund	Total
<u>RECEIPTS</u>						
Suits and successions	\$ 2,340,160	\$ 576,615	\$ 162,745	\$ 4,752	\$ 510	\$ 3,084,782
Interest earned	772	1,733	624	-	2,513	5,642
Total Receipts	\$ 2,340,932	\$ 578,348	\$ 163,369	\$ 4,752	\$ 3,023	\$ 3,090,424
<u>DISBURSEMENTS</u>						
Clerk's fees	1,309,988	-	-	-	-	1,309,988
Local sheriff	119,045	-	-	-	-	119,045
Other sheriffs	80,586	-	-	-	-	80,586
Other cost	254,435	-	-	5,544	334	260,489
Refund to litigants	405,902	228,881	158,346	-	-	793,129
Total Disbursements	\$ 2,169,956	# \$ 228,881	# \$ 158,346	# \$ 5,544	# \$ 334	# \$ 2,563,237
Change in Net Position	170,922	- 349,467	- 5,023	- (792)	- 2,689	- 527,310
Net Position, beginning	2,446,412	1,174,040	878,778	1,564	54	4,500,847
Net Position, ending	<u>\$ 2,617,334</u>	# <u>\$ 1,523,507</u>	# <u>\$ 883,801</u>	# <u>\$ 772</u>	# <u>\$ 2,743</u>	# <u>\$ 3,778,157</u>

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

ST. LANDRY PARISH CLERK OF COURT

Supplementary Information
For the Year Ended June 30, 2018

Agency Head

Charles Jagneaux
Clerk of Court

Purpose

Salary	\$	160,679
Deferred compensation		240
Benefits - Retirement		30,529
Benefits - Group insurance		7,610
Election fees		2,400
Cell phone		2,532
Travel:		
Auto allowance		24,102
Meals		36
Lodging		500
		<hr/>
Total Compensation, Benefits and Other Payments	\$	<u>228,628</u>

ST. LANDRY PARISH CLERK OF COURT

Supplementary Information
For the Year Ended June 30, 2018

Agency Head

Charles Jagneaux
Clerk of Court

Purpose

Salary	\$ 160,679
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	<hr/>
Total Compensation, Benefits and Other Payments	<u>\$ 228,628</u>

See Independent Auditors' Report



J. WALKER & COMPANY_{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' 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*

Honorable Charles Jagneaux, Clerk of Court
St. Landry Parish Clerk of Court
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the St. Landry Parish Clerk of Court, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the St. Landry Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 07, 2018.

Internal Control over Financial Reporting

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

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

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

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CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

J. Walker & Company, APC

Lake Charles, Louisiana

December 07, 2018



ST. LANDRY PARISH CLERK OF COURT

Schedule of Findings and Responses
For the Year Ended June 30, 2018

I. Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the St. Landry Parish Clerk of Court.
2. There were no control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' 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*.
3. There were no instances of noncompliance that are reported in the *Independent Auditors' 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*.

b. Federal Awards

1. N/A

c. Management Letter

1. No management letter was issued in connection with the audit for the year ended June 30, 2018.

ST. LANDRY PARISH CLERK OF COURT

Schedule of Findings and Responses
For the Year Ended June 30, 2018

II. **Findings – Financial Statement Audit**

No Current Findings.

ST. LANDRY PARISH CLERK OF COURT

Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2018

III. Summary of Prior Year Findings

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2017-01 Failure to timely file audit report

Fiscal Year Finding Originated: 2017

Condition:

The Organization failed to submit audited report to LA Legislative Auditor in a timely manner.

Corrective Action Plan:

The Clerk of Court should engage independent auditor in a timely manner to ensure adequate for completion of audit and the timely filling of report.

Current Status:

Resolved.

Statewide Agreed Upon Procedures

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Honorable Charles Jagneaux
St Landry Parish Clerk of Court
Crowley Louisiana, and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by St. Landry Parish Clerk of Court and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Clerk's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the 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

We performed the above procedure and noted the following exceptions:

Written policies and procedures did not including a procedure requiring public notice of a public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.

Management Response: Management will ensure the written policies and procedures include the procedure requiring public notice of a public hearing is held on the proposed budget at least ten days after publication of the call of a hearing.

- 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.

We performed the above procedure and noted the following exceptions:

Written policies and procedures did not including the preparation and approval process of purchase requisitions and purchase orders.

Management Response: Management will ensure written policies and procedures include the preparation and approval process of purchase requisitions and purchase orders.

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

We performed the procedure above and noted no exceptions.

- 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).

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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

We performed the procedure above and noted no exceptions.

- 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)

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exception.

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.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The St. Landry Parish Clerk of Court does not have a board or finance committee. Therefore, these procedures are not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
We performed the procedure above and noted no exceptions.
 - 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
We performed the procedure above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

Collections

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
We performed the procedure above and noted no exceptions.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
We performed the procedure above and noted no exceptions.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
We performed the procedure above and noted no exceptions.
 - 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).
We performed the procedure above and noted no exceptions.
 - e) Trace the actual deposit per the bank statement to the general ledger.
We performed the procedure above and noted no exceptions.

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

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

We performed the above procedure and noted the following exceptions:

Per entity’s policy provided, no purchase order system in order.

Management Response: Management will ensure written policies and procedures include the preparation and approval process of purchase requisitions and purchase orders.

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

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

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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).

We performed the procedure above and noted no exceptions.

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

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

- 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).

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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).

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Contracts

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

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

No contracts reached the threshold for public bid under the Louisiana Public Bid Law. Therefore, no procedures were performed.

- 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).

Not applicable.

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

Payroll and Personnel

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

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.)

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

Ethics

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

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

Debt Service

- 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.

The St. Landry Parish Clerk of Court did not issue debt during the fiscal period. Therefore, these procedures are not applicable.

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.

The St. Landry Parish Clerk of Court did not issue debt during the fiscal period. Therefore, these procedures are not applicable.

Other

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

We performed the procedure above and noted no exceptions.

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.

We performed the procedure above and noted no exceptions.

J. Walker & Company, APC

Lake Charles, Louisiana
December 07, 2018