

EVANGELINE PARISH CLERK OF COURT

Ville Platte, Louisiana

Financial Statements

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Randall Deshotel
Evangeline Parish Clerk of Court
Ville Platte, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Clerk of Court (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 Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Clerk of Court, 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.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, the Clerk of Court has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, changes in total OPEB liability and related ratios, employer's share of net pension liability, and employer contributions (page 36-39) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The budgetary comparison schedules of revenues and expenditures (page 42-43) and fiduciary funds combining statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The fiduciary funds combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the fiduciary funds combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules of revenues and expenditures has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 27, 2018

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 952,424
Receivables, net	53,286
Accrued interest	6,895
Prepaid expense	15,741
Capital assets, net	<u>30,739</u>
Total assets	<u>1,059,085</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	157,862
Other postemployment benefit obligation	<u>10,267</u>
Total deferred outflows of resources	<u>168,129</u>
LIABILITIES	
Accounts and other payables	28,089
Long-term liabilities:	
Portion due within one year -	
Capital lease payable	6,295
Portion due after one year -	
Compensated absences payable	4,746
Capital lease payable	9,994
Net OPEB obligation payable	1,164,883
Net pension liability	<u>751,064</u>
Total liabilities	<u>1,965,071</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	<u>101,570</u>
NET POSITION	
Net investment in capital assets	14,450
Unrestricted (deficit)	<u>(853,877)</u>
Total net position	<u><u>\$ (839,427)</u></u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

Activities	Expenses	Program Revenues Fees, Fines, and Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
General government	\$ 1,074,273	\$ 1,426,229	\$ 351,956
Interest on long-term debt	<u>1,830</u>	<u>-</u>	<u>(1,830)</u>
Total governmental activities	<u>\$ 1,076,103</u>	<u>\$ 1,426,229</u>	<u>350,126</u>
General revenues:			
			11,406
			53,141
			<u>47,476</u>
			<u>112,023</u>
			462,149
			<u>(1,301,576)</u>
			<u>\$ (839,427)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Balance Sheet
Governmental Fund - General Fund
June 30, 2018

ASSETS

Cash and interest-bearing deposits	\$ 952,424
Receivables:	
Accounts receivable	53,286
Accrued interest	6,895
Prepaid expenses	<u>15,741</u>
Total assets	<u>\$ 1,028,346</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	<u>\$ 28,089</u>
Fund balance:	
Nonspendable (prepaid items)	15,741
Unassigned	<u>984,516</u>
Total fund balances	<u>1,000,257</u>
Total liabilities and fund balances	<u>\$ 1,028,346</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2018

Total fund balance for governmental fund at June 30, 2018		\$ 984,516
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, net of \$78,823 accumulated depreciation		30,739
Deferred outflows of expenditures for the retirement system and OPEB obligation are not available resources, and therefore, are not reported in the funds. Deferred outflows of resources at year end consist of:		
Deferred outflows related to the pension plan	\$ 157,862	
Deferred outflows related to OPEB obligation	<u>10,267</u>	168,129
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Capital lease	(16,289)	
Compensated absences	<u>(4,746)</u>	(21,035)
Net OPEB obligation payable		(1,164,883)
Net pension liability		(751,064)
The deferred inflows of contributions for the clerks of court retirement system are not payable from current expendable resources and, therefore, are not reported in the funds.		
		<u>(101,570)</u>
Net position at June 30, 2018		<u>\$ (855,168)</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund - General Fund
For the Year Ended June 30, 2018

Revenues:	
Licenses and permits	\$ 36,983
Fees, charges and commissions	165,657
Fees for recording legal documents	1,119,916
Fees for certified copies	103,673
Miscellaneous	<u>58,882</u>
Total revenues	<u>1,485,111</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	757,964
Operating services	146,500
Material and supplies	119,971
Debt service	<u>7,774</u>
Total expenditures	<u>1,032,209</u>
Excess of revenues over expenditures	452,902
Fund balance, beginning	<u>547,355</u>
Fund balance, ending	<u>\$ 1,000,257</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2018

Total net change in fund balance for year ended June 30, 2018 per statement of revenues, expenditures and changes in fund balance		\$ 452,902
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance.	\$ 7,423	
Depreciation expense	<u>(17,743)</u>	(10,320)
Repayment of capital lease financing is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position		5,944
Non employer's contributions to the clerks of court pension plan		53,141
Some items reported in the statement of activities do not require the use of current financial resources are therefore are not reported as expenditures in the governmental funds		
Increase in compensated absences	(263)	
Increase in other post-employment benefits	<u>(19,093)</u>	(19,356)
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure		<u>(20,162)</u>
Change in net position for year ended June 30, 2018 per statement of activities		<u>\$ 462,149</u>

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Combined Statement of Fiduciary Assets and Liabilities
June 30, 2018

ASSETS

Cash	\$ 1,423,663
Interest-bearing deposits	<u>1,791,199</u>
Total assets	<u>\$ 3,214,862</u>

LIABILITIES

Due to litigants and others	<u>\$ 3,214,862</u>
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The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. There are no component units required to be reported in conformity with generally accepted accounting principles. As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary assets and liabilities at the fund financial statement level.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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

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

Governmental Fund -

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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

Fiduciary Funds -

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

Advance Deposit Funds I and II – accounts for advance deposits on suits filed by litigants.

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

Civil Jury Fund – accounts for deposits which have been authorized by the court for payment of jury costs in civil cases.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the “current financial resources” measurement focus is used. Only current assets and current liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Clerk of Court's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

Allocation of indirect expenses

The Clerk of Court reports all direct expenses by function in the statement of activities. 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 is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Clerk of Court's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and interest-bearing deposits

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities consist of fees for recordings and mortgage certificates.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items. The Clerk of Court utilizes the consumption method to account for prepaid items.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives for furniture, fixtures and equipment is five to ten years.

Compensated Absences

Employees of the Clerk of Court's office earn 8 hours of vacation leave per month and 8 hours of sick leave per month. Employees are not permitted to carryover vacation time. Sick time may be carried over, but it is limited to 20 days.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

For fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are recorded as non-current liabilities.

At June 30, 2018, employees of the Clerk of Court have accumulated and vested \$4,746 of compensated absence benefits.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the Clerk of Court doesn't have a proprietary fund, all long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of a capital lease payable.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court. The Clerk of Court is the highest level of decision-making authority for the Clerk of Court’s office.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk of Court’s adopted policy, only the Clerk of Court may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may invest in certificates and time deposits of 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 interest-bearing deposits (book balances) totaling \$4,167,286 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 852,424	\$ 1,423,663	\$ 2,276,087
Time and savings deposits	100,000	1,791,199	1,891,199
Total	\$ 952,424	\$ 3,214,862	\$ 4,167,286

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2018, were secured as follows:

Bank balances	\$ 4,232,518
Federal deposit insurance	\$ 1,470,000
Pledged securities	2,762,518
Total	\$ 4,232,518

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Deposits in the amount of \$2,762,518 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Clerk of Court's name. The Clerk of Court does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset balances and activity for the year ended June 30, 2018 are as follows:

	Balance <u>7/1/2017</u>	Additions	Deletions	Balance <u>6/30/2018</u>
Furniture, fixtures and equipment	\$ 124,947	\$ 7,423	\$ 22,808	\$ 109,562
Less accumulated depreciation	<u>83,888</u>	<u>17,743</u>	<u>22,808</u>	<u>78,823</u>
Net capital assets	<u>\$ 41,059</u>	<u>\$ (10,320)</u>	<u>\$ -</u>	<u>\$ 30,739</u>

Depreciation expense of \$17,743 was charged to the general government function.

(4) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2018:

	Balance <u>7/1/2017</u>	Additions	Deletions	Balance <u>6/30/2018</u>	Amount due <u>in one year</u>
Long-term debt:					
Capital leases	\$ 22,233	\$ -	\$ 5,944	\$ 16,289	\$ 6,295
Other liabilities:					
Compensated absences	<u>4,483</u>	<u>263</u>	<u>-</u>	<u>4,746</u>	<u>-</u>
	<u>\$ 26,716</u>	<u>\$ 263</u>	<u>\$ 5,944</u>	<u>\$ 21,035</u>	<u>\$ 6,295</u>

The Clerk of Court is obligated under one capital lease. The leased asset is recorded in capital assets at \$29,592 (\$41,291 net of accumulated depreciation of \$11,699) and the applicable debt recorded in long-term debt. The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at June 30, 2018:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 7,067
2020	7,067
2021	<u>3,382</u>
Total minimum lease payments	17,516
Less amount representing interest	<u>(1,227)</u>
Present value of minimum lease payments	<u>\$ 16,289</u>

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

(5) Pension Plan

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

Plan Description

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies and other employees. The Fund issues a publicly available financial report that may be assessed at www.laclerksofcourt.org.

Retirement Benefits

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3 percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

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

Disability Benefits

Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

- a. A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- b. A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

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

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

- a. Forty percent of their monthly average final compensation.
- b. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

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

Survivor Benefits

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age.

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits.

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 forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 19.00% and the member's required contribution was 8.25%. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Contributions from non-employer contributing entities were \$53,141. Contributions to the pension plan from the Clerk of Court were \$80,011.

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

As of June 30, 2018, the Clerk reported a liability of \$751,064 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2017, the Clerk's proportion was 0.496429%, which was a decrease of 0.014195% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk recognized pension expense of \$100,173.

At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Basic Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22,745	\$ 19,708
Change of assumptions	32,756	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	12,064	81,862
Net differences between projected and actual earnings on plan investments	10,286	-
Contributions subsequent to the measurement date	80,011	-
Total	\$ 157,862	\$ 101,570

Deferred outflows of resources of \$80,011 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,			
2019			\$ (3,881)
2020			11,555
2021			(420)
2022			(30,973)
			\$ (23,719)

Actuarial Methods and Assumptions

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

The actuarial assumptions used in the June 30, 2017 valuation (excluding mortality) were based on the assumptions used in the June 30, 2017 actuarial funding valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

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Notes to Basic Financial Statements (Continued)

Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	5.00%
Inflation rate	2.50%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2017 - 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed to be substantively automatic.

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

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

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

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Notes to Basic Financial Statements (Continued)

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

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

Discount Rate

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

Sensitivity to Changes in Discount Rate

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

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Employer's proportionate share of net pension liability	<u>\$ 1,149,398</u>	<u>\$ 944,641</u>	<u>\$ 412,893</u>

Payables to the Pension Plan

The Clerk of Court's payable to the LACRF at June 30, 2018 was \$10,137 and is the legally required contribution owed for the 2nd quarter of the 2018 calendar year.

Pension Plan Fiduciary Net Position

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

(6) Other Postemployment Benefits (OPEB)

In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended June 30, 2018, the Clerk of Court recognizes the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the total OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the Clerk of Court's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

General Information about the OPEB Plan

Plan Description: The Clerk of Court's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk of Court. The Clerk of Court's OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk of Court. Benefits 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 of Court provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 100% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (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	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>10</u>
	<u>14</u>

Total OPEB Liability

The Clerk of Court’s total OPEB liability of \$1,164,883 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 0% for dependents
Medicare supplement	0% for retirees and 0% for dependents
Dental	0% for retirees and 0% for dependents
Vision	0% for retirees and 0% for dependents
Basic life insurance	0.00%

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.

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (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 those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

Changes in the Total OPEB Liability

The following presents changes in the total OPEB liability.

Balance at 6/30/2017	<u>\$ 1,135,523</u>
Changes for the year:	
Service cost	30,675
Interest	41,233
Differences between expected and actual experience	11,734
Benefit payments	<u>(54,282)</u>
Net changes	<u>29,360</u>
Balance at 6/30/2018	<u><u>\$ 1,164,883</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Clerk of Court, as well as what the Clerk of Court's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62 percent) or 1 percentage point higher (4.62 percent) than the current discount rate:

	<u>1% Decrease</u> 2.62%	<u>Discount Rate</u> 3.62%	<u>1% Increase</u> 4.62%
Tota OPEB liability	<u>\$ 1,339,421</u>	<u>\$ 1,164,883</u>	<u>\$ 1,020,425</u>

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Tota OPEB liability	<u>\$ 1,022,918</u>	<u>\$ 1,164,883</u>	<u>\$ 1,258,469</u>

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

For the year ended June 30, 2018, the Clerk of Court recognized an OPEB expense of \$73,375. At June 30, 2018, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,267	\$ -
Change of assumptions or other inputs	-	-
Total	\$ 10,267	\$ -

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	\$ 1,467
2020	1,467
2021	1,467
2022	1,467
2023	1,467
Thereafter	2,932
	\$ 10,267

(7) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits for the year ended June 30, 2018 follows:

	Unsettled Deposits 7/1/2017	Additions	Reductions	Unsettled Deposits 6/30/2018
Agency funds:				
Advance Deposit I and II	\$ 1,937,353	\$ 819,776	\$ 731,322	\$ 2,025,807
Registry of the Court	280,894	133,892	171,549	243,237
Civil Jury	907,118	53,000	14,300	945,818
Total	\$ 3,125,365	\$ 1,006,668	\$ 917,171	\$ 3,214,862

(8) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments to Clerk of Court, Randall Deshotel, for the year ended June 30, 2018 follows:

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

Purpose	Amount
Salary	\$ 150,119
Payroll taxes	2,130
Benefits - insurance	13,403
Benefits - retirement	27,913
Cell phone	1,606
Travel and meals	6,482
Registration fees	1,100
	\$ 202,753

(9) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(10) Expenditures of the Clerk of Court Paid by the Parish Police Jury

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

(11) Excess Fund Balance

R.S. 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 2018, there was no amount due to the parish treasurer.

(12) Litigation

The Clerk of Court was not involved in any lawsuits expected to result in a judgment for damages that would have a material adverse effect on the Clerk of Court's financial position at June 30, 2018.

EVANGELINE PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

(13) Prior Period Adjustment

During the current fiscal year, the Clerk of Court implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense. This statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. The implementation resulted in a restatement of previously reported net position of governmental activities as follows:

July 1, 2017 net position, as reported	\$ (691,342)
Change in accounting principle:	
Net effect of recording total OPEB liability	<u>(610,234)</u>
July 1, 2017 net position, as restated	<u>\$ (1,301,576)</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

EVANGELINE PARISH CLERK OF COURT
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Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 33,000	\$ 32,500	\$ 36,983	\$ 4,483
Fees, charges and commissions	133,000	154,000	165,657	11,657
Fees for recording legal documents	850,000	1,030,000	1,119,916	89,916
Fees for certified copies	65,000	90,000	103,673	13,673
Miscellaneous	<u>36,000</u>	<u>52,000</u>	<u>58,882</u>	<u>6,882</u>
Total revenues	<u>1,117,000</u>	<u>1,358,500</u>	<u>1,485,111</u>	<u>126,611</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	850,409	816,000	757,964	58,036
Operating services	190,100	209,900	146,500	63,400
Material and supplies	136,300	136,500	119,971	16,529
Debt service	<u>-</u>	<u>8,000</u>	<u>7,774</u>	<u>226</u>
Total expenditures	<u>1,176,809</u>	<u>1,170,400</u>	<u>1,032,209</u>	<u>138,191</u>
Excess (deficiency) of revenues over expenditures	(59,809)	188,100	452,902	264,802
Fund balance, beginning	<u>367,153</u>	<u>547,355</u>	<u>547,355</u>	<u>-</u>
Fund balance, ending	<u>\$ 307,344</u>	<u>\$ 735,455</u>	<u>\$ 1,000,257</u>	<u>\$ 264,802</u>

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Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 30,675
Interest	41,233
Differences between expected and actual experience	11,734
Benefit payments	<u>(54,282)</u>
Net change in OPEB Liability	29,360
Total OPEB liability, beginning	<u>1,135,523</u>
Total OPEB liability, ending	<u>\$ 1,164,883</u>
Covered employee payroll	<u>\$ 457,109</u>
Total OPEB liability as a percentage of covered employee payroll	<u>254.8%</u>

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

EVANGELINE PARISH CLERK OF COURT
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Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2018

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.496429%	\$ 751,064	\$ 442,599	169.7%	79.70%
2017	0.510624%	\$ 944,641	\$ 464,884	203.2%	74.17%
2016	0.555886%	\$ 833,847	\$ 502,816	165.8%	78.13%
2015	0.594721%	\$ 802,196	\$ 508,142	157.9%	79.37%

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

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

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 80,011	\$ 80,011	\$ -	\$ 421,109	19.00%
2017	\$ 84,094	\$ 84,094	\$ -	\$ 442,599	19.00%
2016	\$ 88,328	\$ 88,328	\$ -	\$ 464,884	19.00%
2015	\$ 95,535	\$ 95,535	\$ -	\$ 502,816	19.00%

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

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2018

(1) Budget and Budgetary Accounting

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

1. The Clerk of Court prepares a proposed budget for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

(2) Pension Plan

Changes of Assumption - Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

(3) OPEB Plan

Changes in Benefit Terms – There were no changes in benefit terms.

Changes of Assumptions – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017 – 3.50%
2018 – 3.62%

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

OTHER FINANCIAL INFORMATION

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 5,000	\$ 4,500	\$ 4,730	\$ 230
Birth certificates	28,000	28,000	32,253	4,253
Total licenses and permits	<u>33,000</u>	<u>32,500</u>	<u>36,983</u>	<u>4,483</u>
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	12,000	10,000	10,043	43
Court attendance reporting	8,000	9,000	10,160	1,160
Non-support court costs	33,000	55,000	53,031	(1,969)
Public records search fee	<u>80,000</u>	<u>80,000</u>	<u>92,423</u>	<u>12,423</u>
Total fees, charges and commissions	<u>133,000</u>	<u>154,000</u>	<u>165,657</u>	<u>11,657</u>
Fees for recording legal documents:				
Recordings	350,000	490,000	550,201	60,201
Cancellations	45,000	55,000	56,499	1,499
Mortgage certificates	35,000	35,000	38,729	3,729
Suits and successions	<u>420,000</u>	<u>450,000</u>	<u>474,487</u>	<u>24,487</u>
Total fees for recording legal documents	<u>850,000</u>	<u>1,030,000</u>	<u>1,119,916</u>	<u>89,916</u>
Certified copies	<u>65,000</u>	<u>90,000</u>	<u>103,673</u>	<u>13,673</u>
Miscellaneous:				
Interest earned	4,000	10,000	11,406	1,406
Other	<u>32,000</u>	<u>42,000</u>	<u>47,476</u>	<u>5,476</u>
Total miscellaneous	<u>36,000</u>	<u>52,000</u>	<u>58,882</u>	<u>6,882</u>
 Total revenues	 <u>\$ 1,117,000</u>	 <u>\$ 1,358,500</u>	 <u>\$ 1,485,111</u>	 <u>\$ 126,611</u>

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries:				
Clerk	\$ 146,909	\$ 147,000	\$ 146,909	\$ 91
Deputy clerks	370,000	351,000	314,422	36,578
Payroll taxes	14,000	10,000	7,994	2,006
Clerk's supplemental fund	14,500	15,000	13,838	1,162
Hospitalization insurance	198,000	198,000	188,182	9,818
Retirement	107,000	95,000	86,619	8,381
Total personnel services and related benefits	<u>850,409</u>	<u>816,000</u>	<u>757,964</u>	<u>58,036</u>
Operating services -				
Insurance	16,000	30,000	9,812	20,188
Professional fees	61,400	64,000	54,720	9,280
Telephone	10,000	10,000	8,442	1,558
Travel and conventions	12,000	12,000	11,106	894
Election expense	18,400	16,000	6,262	9,738
Center for family violence contribution	3,000	3,000	1,995	1,005
Non-support expense	4,000	5,000	4,385	615
UCC filings	10,000	10,000	6,450	3,550
LCRAA fees	26,000	20,000	15,025	4,975
Birth certificate fees	17,300	17,000	15,639	1,361
Miscellaneous	12,000	22,900	12,664	10,236
Total operating services	<u>190,100</u>	<u>209,900</u>	<u>146,500</u>	<u>63,400</u>
Materials and supplies -				
Office supplies and operations	93,000	98,500	92,147	6,353
Dues and subscription	3,300	3,000	2,439	561
Repairs and maintenance	11,000	11,000	5,928	5,072
Equipment rental	20,000	20,000	15,782	4,218
Automotive supplies	9,000	4,000	3,675	325
Total materials and supplies	<u>136,300</u>	<u>136,500</u>	<u>119,971</u>	<u>16,529</u>
Debt service -				
Principal payments	-	8,000	5,944	2,056
Interest	-	-	1,830	(1,830)
Total debt service	<u>-</u>	<u>8,000</u>	<u>7,774</u>	<u>226</u>
Total expenditures	<u>\$ 1,176,809</u>	<u>\$ 1,170,400</u>	<u>\$ 1,032,209</u>	<u>\$ 138,191</u>

FIDUCIARY FUNDS

Advance Deposit Fund -

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

Registry of Court Fund -

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

Civil Jury Fund

The Civil Jury Fund, as provided by Louisiana Revised Statute 13:3049(B)(2), is used to account for deposits which have been authorized by the court for payment of jury costs in civil cases. If the sum on deposit exceeds the jury costs, the excess shall be refunded to the party making the deposit.

EVANGELINE PARISH CLERK OF COURT
 Ville Platte, Louisiana
 Agency Funds

Combining Statement of Fiduciary Assets and Liabilities
 June 30, 2018

	Advance Deposit I	Advance Deposit II	Registry of Court	Civil Jury	Totals
ASSETS					
Cash	\$ 3,050	\$ 802,757	\$ 222,038	\$ 395,818	\$ 1,423,663
Interest-bearing deposits	40,000	1,180,000	21,199	550,000	1,791,199
Total assets	\$43,050	\$1,982,757	\$ 243,237	\$ 945,818	\$3,214,862
LIABILITIES					
Due to litigants and others	\$43,050	\$1,982,757	\$ 243,237	\$ 945,818	\$3,214,862

EVANGELINE PARISH CLERK OF COURT
 Ville Platte, Louisiana
 Agency Funds

Combining Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2018

	Advance Deposit I	Advance Deposit II	Registry of Court	Civil Jury	Totals
ASSETS					
Balances, beginning of year	\$ 43,050	\$ 1,894,303	\$ 280,894	\$ 907,118	\$ 3,125,365
Additions:					
Suits and successions	-	819,776	-	53,000	872,776
Deposits per court order	-	-	133,892	-	133,892
Total additions	-	819,776	133,892	53,000	1,006,668
Reductions:					
Clerk of court costs	-	474,487	-	-	474,487
Refunds to litigants	-	142,726	-	14,300	157,026
Other	-	4,179	-	-	4,179
Sheriff fees	-	76,232	-	-	76,232
Secretary of State	-	5,000	-	-	5,000
Judge's supplemental compensation fund	-	17,454	-	-	17,454
Disbursements by court order	-	11,244	171,549	-	182,793
Total reductions	-	731,322	171,549	14,300	917,171
Balances, end of year	\$ 43,050	\$ 1,982,757	\$ 243,237	\$ 945,818	\$ 3,214,862
LIABILITIES					
Due to litigants and others, beginning of year	\$ 43,050	\$ 1,894,303	\$ 280,894	\$ 907,118	\$ 3,125,365
Additions	-	819,776	133,892	53,000	1,006,668
Reductions	-	731,322	171,549	14,300	917,171
Due to litigants and others, end of year	\$ 43,050	\$ 1,982,757	\$ 243,237	\$ 945,818	\$ 3,214,862

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, SLAVEN & COMPANY, LLC

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

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* A Professional Accounting Corporation

The Honorable Randall Deshotel
Evangeline Parish Clerk of Court
Ville Platte, 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, major fund, and the aggregate remaining fund information of the Evangeline Parish Clerk of Court (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 Clerk of Court's basic financial statements, and have issued our report thereon dated November 27, 2018.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider deficiency 2018-002 described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be a material weakness.

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. We consider deficiency 2018-001 described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Evangeline 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*.

Evangeline Parish Clerk of Court's Response to Findings

The Evangeline Parish Clerk of Court's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 27, 2018

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>CURRENT YEAR (06/30/18) --</u>						
<u>Internal Control:</u>						
2018-001	Unknown	Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting duties.	Randall Deshotel, Clerk of Court	N/A
2018-002	2007	The Clerk of Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Randall Deshotel, Clerk of Court	N/A

Compliance:

There were no compliance findings noted.

(continued)

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
For the Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>PRIOR YEAR (06/30/17) -- Internal Control:</u>						
2017-001	Unknown	Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting duties.	Randall Deshotel, Clerk of Court	N/A
2017-002	2007	The Clerk of Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Randall Deshotel, Clerk of Court	N/A

EVANGELINE PARISH CLERK OF COURT
Ville Platte, Louisiana

Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Management of the Evangeline Parish Clerk of Court
and Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the Evangeline Parish Clerk of Court and the 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 Evangeline Parish Clerk of Court is responsible for those C/C areas identified in the SAUP's.

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

The written policies and procedures address the functions noted above.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were not adequate for the functions noted above.

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

No written policies and procedures noted. The Clerk of Court does not incur long-term debt.

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.

N/A

- 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

N/A

- 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.

No negative unrestricted fund balance noted.

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);
Bank reconciliations did not include evidence that they were prepared within 2 months of the related closing date.
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
No exceptions noted.
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No exceptions noted.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
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.
Employees share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
No exceptions noted.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
No exceptions noted.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
No exceptions noted.

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

All employees with access to cash are bonded.

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

No exceptions noted in a - e above.

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.

Exception noted.

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

Exception noted.

- 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.

Exception noted.

- 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.

Exception noted.

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

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

No exceptions noted.

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

Clerk of Court initiates and approves purchases.

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.]

One exception noted.

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

No exceptions noted.

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).

No exceptions noted.

Payroll and Personnel

14. 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.

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No termination payments paid.

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

No exceptions noted.

Management's Response:

Management of the Evangeline Parish Clerk of Court concurs with the exceptions and are working to address the deficiencies identified.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 27, 2018