

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2018
With
INDEPENDENT ACCOUNTANT'S REVIEW**

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA**

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LAKE PROVIDENCE, LOUISIANA**

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THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REVIEW

Beatrice Carter
East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Clerk of Court, a component unit of the East Carroll Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter Paragraph(s)

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information on pages 3 through 7, and page 32 be presented to supplement the basic financial statements:

Management's Discussion and Analysis
Budgetary Comparison Schedule

Such information, although not a required 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. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

The Halford Firm PLLC

Vicksburg, Mississippi
December 7, 2018

REQUIRED SUPPLEMENTARY INFORMATION

PART I

EAST CARROLL PARISH CLERK OF COURT MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the East Carroll Parish Clerk of Court (the Clerk), we offer readers of the Clerk's financial statements this narrative overview and analysis of the financial activities of the Clerk as of and for the year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Clerk's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The liabilities of the Clerk exceeded its assets at June 30, 2018, by \$703,120 (net deficit).

The Clerk's net position decreased by \$23,646 as a result of this year's operations.

Total net position is comprised of the following:

Capital assets of \$5,841 include property and equipment, net of accumulated depreciation and related debt.

Unrestricted net position (deficit) of \$708,961 represents the portion available to maintain the Clerk's continuing obligations to citizens and creditors.

At June 30, 2018, the Clerk's governmental funds consist solely of the Clerk's general fund. The Clerk's governmental funds reported a total ending fund balance of \$107,068 a decrease of \$12,506. The entire fund balance is unassigned and available for spending at the Clerk's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the Clerk's basic financial statements. In accordance with GASB No. 34, the Clerk's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements of the Clerk report information about the Clerk using accounting methods similar to those used by private sector companies. They present the financial picture of the Clerk from an economic resources' measurement focus using the accrual basis of accounting. These statements include all assets of the Clerk (including capital assets) as well as all liabilities (including long-term obligations).

The Statement of Net Position presents information on all of the Clerk's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Clerk is improving or deteriorating.

The Statement of Activities presents the current year's revenues and expenses and other information showing how the Clerk's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are presented on pages 8 and 9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Clerk are categorized as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Clerk maintains one individual governmental fund - the general fund. The Clerk adopts an annual appropriated budget for the general fund, and a budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements begin on page 10.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Clerk's performance. The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

The Clerk's net position at June 30, 2018, is summarized as follows:

The largest component of the Clerk's total assets is cash and cash equivalents of \$68,306 or 49%. Of the Clerk's total liabilities, the largest component is net pension liability of \$465,763 or 48%.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Clerk's liabilities exceeded assets by \$703,120. A portion of the Clerk's net position reflects its investments in capital assets (e.g., building, land, and equipment). Capital assets are non-liquid assets and cannot be utilized to satisfy the Clerk's obligations. The unrestricted net position of the Clerk is available for future use.

Management's Discussion and Analysis
Page Three

The following table reflects a condensed statement of the Clerk's net position as of June 30, 2018, and 2017:

	<u>Governmental-Type Activities</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Assets		
Current & other assets	\$ 132,316	\$ 139,703
Capital assets	5,841	8,549
Total Assets	<u>138,157</u>	<u>148,252</u>
Deferred Outflows of Resources	<u>159,711</u>	<u>224,951</u>
Liabilities		
Other liabilities	25,248	20,120
Long-term liabilities	950,998	674,456
Total Liabilities	<u>976,246</u>	<u>694,576</u>
Deferred Inflows of Resources	<u>24,742</u>	<u>36,631</u>
Net Position		
Invested in capital assets, net	5,841	8,549
Unrestricted	(708,961)	(366,553)
Total Net Position (Deficit)	<u>\$ (703,120)</u>	<u>\$ (358,004)</u>

Governmental activities decreased net position by \$23,646 for the year ended June 30, 2018

Key elements of the analysis of government-wide revenues and expenses reflect the following:

The Clerk is heavily dependent on court costs and recording fees to support its operations. Court costs and recording fees provided 48% and 42%, of the Clerk's total revenues, respectively. The Clerk's operations are heavily staff oriented. As a result, employees' salaries and benefits make up approximately 78% of the total expenses.

Management's Discussion and Analysis
 Page Four

The following is a summary of the statement of activities:

Revenues	2018	2017
Program revenue	\$ 461,483	\$ 505,020
General revenue	23,913	36,727
Total Revenue	485,396	541,747
Expenses		
Program expenses	509,042	502,785
Total Expenses	509,042	502,785
Change in Net Position	(23,646)	38,962
Net Position - beginning - as restated	(679,474)	(396,966)
Net Position - ending	\$ (703,120)	\$ (358,004)

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements of the Clerk present its General Fund. The General Fund is the Clerk's operating fund and the source of day-to-day service delivery. The General Fund is useful in assessing the resources available at the end of the year in comparison with upcoming requirements.

At June 30, 2018, the Clerk's General Fund balance (total assets less total liabilities) totaled \$107,068. The Clerk's unassigned fund balance decreased by \$12,506 in 2018.

Total operating revenues reflect a decrease of \$56,333 in 2018 as compared to 2017.

Total operating expenses decreased by \$16,571 from 2017 to 2018.

GENERAL BUDGETARY ANALYSIS

The Clerk employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual (Budgetary Basis) include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before June 30, of the year preceding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the Clerk at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared at the time the Clerk anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

GENERAL BUDGETARY ANALYSIS- cont.

The difference between the final amended budgeted revenues and actual revenues for the year ended June 30, 2018, totaled \$526, a positive variance. The actual expenditures were less than the final amended budgeted expenditures for the year ended June 30, 2018, by \$38,466, a positive variance.

CAPITAL ASSETS

Capital Assets

At the end of June 30, 2018, the Clerk had invested in various capital assets, including equipment, and furniture. The capital assets are summarized below:

Depreciable assets:	
Furniture and equipment	\$ 66,261
Less Accumulated Depreciation	<u>(60,420)</u>
Book-Value of Depreciable Assets	<u>\$ 5,841</u>

ECONOMIC FACTORS AND FUTURE OUTLOOK

The Clerk's budgeted revenues and expenditures for 2019 are comparable to 2018's actual revenues and expenditures. The Clerk does not anticipate any changes in its day-to-day operations that will have a material effect on its 2019 budget.

CONTACTING THE CLERK'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Clerk's finances and to show its accountability for the money it receives. If you have question about this report or need additional financial information, contact Beatrice Carter, at the Clerk's office, East Carroll Parish Courthouse, Lake Providence, Louisiana 71254, or call at (318) 559-2399.

BASIC FINANCIAL STATEMENTS

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2018**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 68,306
Investments	60,000
Receivables	4,010
Total current assets	<u>132,316</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	5,841
Total Assets	<u>138,157</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	159,066
OPEB related	645
Total deferred outflows of resources	<u>159,711</u>
LIABILITIES	
Current liabilities:	
Accounts payable	7,211
Accrued payroll and related benefits	12,213
Deferred revenue	5,824
Long-term Liabilities:	
Compensated absences payable	19,616
Net OPEB obligation	465,619
Net pension liability	465,763
Total Liabilities	<u>976,246</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	<u>24,742</u>
NET POSITION	
Invested in capital assets	5,841
Unrestricted (Deficit)	<u>(708,961)</u>
Total Net Position (Deficit)	<u><u>\$ (703,120)</u></u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Expenses

General government	
Personal services	\$ 397,522
Operating services	9,750
Materials and supplies	72,995
Travel and other charges	26,067
Depreciation	2,708
Total expenses	<u>509,042</u>

Program Revenues

Charges for services:	
Court costs, fees, and charges	234,865
Fees for recording legal documents	205,237
Fees for certified copies of documents	1,178
Charges for use of photocopier	11,935
Elections	7,338
Licenses and permits	930
Total program revenues	<u>461,483</u>

Net program revenue (47,559)

General Revenues

Intergovernmental	23,350
Interest income	563
Total general revenues	<u>23,913</u>

Change in Net Position (23,646)

Net Position (Deficit) - Beginning of Year - as restated (679,474)

Net Position (Deficit) - Ending of Year \$ (703,120)

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 68,306
Investments	60,000
Receivables	<u>4,010</u>
 Total Assets	 <u><u>132,316</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts, salaries, and other payables	19,424
Deferred revenue	<u>5,824</u>
 Total Liabilities	 <u>25,248</u>
Fund Balance:	
Unassigned	<u>107,068</u>
Total Fund Balance	<u>107,068</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 132,316</u></u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds		\$ 107,068
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$ 66,261	
Less accumulated depreciation	<u>(60,420)</u>	5,841
Receivables collected more than 60 days after the current period are not recorded on the fund financial statements		-
The deferred outflows of expenditures for the Clerks' of Court Retirement and Relief Fund are not a use of current resources, and therefore, are not reported in the fund financial statements		159,711
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:		
Compensated absences	(19,616)	
OPEB payable	(465,619)	
Net pension liability	<u>(465,763)</u>	(950,998)
The deferred inflows of contributions for the Clerks' of Court Retirement and Relief Fund are not available current resources, and therefore, are not reported in the fund financial statements		<u>(24,742)</u>
Net Position of Governmental Activities		<u>\$ (703,120)</u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

Revenues

Charges for services:	
Court costs, fees, and charges	\$ 234,870
Fees for recording legal documents	205,237
Fees for certified copies of documents	1,178
Charges for use of photocopier	11,939
Elections	7,338
Licenses and permits	930
Intergovernmental	23,350
Interest income	563
Total Revenues	<u>485,405</u>

Expenditures

General government:	
Personal services	389,099
Operating services	9,750
Materials and supplies	72,995
Travel and other charges	26,067
Total Expenditures	<u>497,911</u>

Excess of Revenues

Over Expenditures	(12,506)
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Fund Balance - Beginning of Year	<u>119,574</u>
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Fund Balance - End of Year	<u><u>\$ 107,068</u></u>
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See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, total governmental funds		\$(12,506)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(2,708)
The increase in compensated absences payable in the current period is not recorded in the governmental funds.		(4,443)
Governmental funds do not report funds received more than 60 days after year end, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities:		(9)
The Statement of Activities reported the unfunded cost of post employment medical insurance (OPEB) in the current year, but the costs will not be reported in the governmental funds until actually paid.		(8,637)
Net pension expense is reported in governmental funds as an expenditure when it is paid, but is reported in the Statement of Activities according to estimates required by GASB 68:		
Pension expenses paid	51,791	
Pension expenses per GASB 68	<u>(47,134)</u>	
		<u>4,657</u>
Change in Net Position of Governmental Activities		<u><u>\$(23,646)</u></u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

	Advance Deposit Fund	Registry Of Court Fund	Total Agency Funds
Assets			
Cash and cash equivalents	\$ 68,040	\$ 26,713	\$ 94,753
Investments	35,461	-	35,461
Total Assets	<u>103,501</u>	<u>26,713</u>	<u>130,214</u>
Liabilities			
Accounts payable	281	-	281
Unsettled deposits	103,220	26,713	129,933
Total Liabilities	<u>\$ 103,501</u>	<u>\$ 26,713</u>	<u>\$ 130,214</u>

See accompanying notes and Independent Accountant's Review Report.

NOTES TO THE FINANCIAL STATEMENTS

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

INTRODUCTION

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. REPORTING ENTITY - continued

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the East Carroll Parish Police Jury. The police jury maintains and operates the parish courthouse in which the Clerk's office is located and provides funds for equipment and furniture of the Clerk's office. The Clerk was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

Governmental funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs of operations of the Clerk. The following are the Clerk's governmental funds:

General Fund - The primary operating fund of the Clerk, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk's policy.

Fiduciary Funds - Fiduciary funds reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The advance deposit and registry of the court agency funds account for assets held as an agent for others.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Clerk. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Fund Financial Statements (FFS)

The amounts reflected in the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance – governmental fund, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

E. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets and related expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Furniture and Fixtures	5-10 years
Vehicles	4-5 years

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. FUND EQUITY

Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Clerk itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Clerk takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Clerk intends to use for a specific purpose. Intent is expressed by the Clerk.

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Clerk establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Clerk through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America, or under the laws of the United States of America.

continued-

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. BUDGETARY PRACTICES

The Clerk's annual budget is adopted using the prior year's revenues and expenditures as a guide. The budget is reviewed and adjusted every six months for extraordinary revenues or expenditures. The budget presented in the accompanying financial statements is shown on the GAAP basis of accounting.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All annual appropriations lapse at the year end.

I. INVESTMENTS

Investments with original maturities exceeding 90 days are classified as investments. Investments with maturities of 90 days or less are classified as cash equivalents. At June 30, 2018, all of the Clerk's investments were certificates of deposit with original maturities in excess of 90 days.

J. COMPENSATED ABSENCES

The Clerk of Court has the following policy related to vacation and sick leave:

Employees accrue 10 days annual leave each year and 12 days sick leave each year. There is no limit on the accumulation of annual leave. There is no accumulation of sick leave. Upon retirement or death, employees are paid for all unused annual leave.

The Clerk's recognition and measurement criteria for compensated absences are as follows:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the Clerk will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The current portion, if any, of the liability for compensated absences is reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is adjusted into the government-wide statements.

At June 30, 2018, employees of the Clerk of Court had accumulated and vested employee leave benefits of \$19,616. The liability is recorded as a long-term obligation in the government-wide financial statements.

K. 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. These amounts are reported as deferred outflows of resources and/or deferred inflows of resources in the government-wide financial statements.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued.

L. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering her automobile, professional liability and surety bond coverage.

In addition to the above policies, the Clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years.

M. ESTIMATES

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

**N. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS
AND RESTATEMENT OF NET POSITION**

The East Carroll Parish Clerk of Court's Office adopted Government Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45. The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2017, as previously stated	(358,004)
Net Change in OPEB Liability at June 30, 2018	(321,470)
Total Net Position, June 30, 2018, Restated	<u>\$ (679,474)</u>

NOTE 2 - CASH AND CASH EQUIVALENTS

As reflected in the financial statements, the East Carroll Parish Clerk of Court had cash and cash equivalents totaling \$163,059 at June 30, 2018, which was insured from loss by FDIC insurance. Cash and investments are stated at cost which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 3 - INVESTMENTS

At June 30, 2018, the Clerk had investments totaling \$65,461 which included only certificates of deposit, each having an original maturity in excess of 90 days from the date acquired. The investments are in the name of the Clerk and are held at the Clerk's office. These investments are covered by FDIC insurance.

NOTE 4 - RECEIVABLES

The General Fund receivables at June 30, 2018, are as follows:

	Fund Statement	Government- Wide
Advance deposit fund	\$ 281	\$ 281
Non-support	2,609	2,609
Recording	878	878
Xerox copies	213	213
Other	29	29
Total	<u>\$ 4,010</u>	<u>\$ 4,010</u>

NOTE 5 - CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Equipment	\$ 66,261	\$ -	\$ -	\$ 66,261
Total capital assets	<u>66,261</u>	<u>-</u>	<u>-</u>	<u>66,261</u>
Less:				
Accumulated depreciation	<u>(57,712)</u>	<u>(2,708)</u>	<u>-</u>	<u>(60,420)</u>
Total capital assets, net	<u>\$ 8,549</u>	<u>\$ (2,708)</u>	<u>\$ -</u>	<u>\$ 5,841</u>

NOTE 6 - PENSION PLAN

Substantially all employees of the East Carroll Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund, a multiple-employer, public employee retirement system controlled and administered by a separate board of trustees.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 6 - PENSION PLAN – continued

All regular employees earning at least \$100 per month who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Members are required to contribute 8.25% of their annual covered salary and the East Carroll Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 19.00% of annual covered payroll. The East Carroll Parish Clerk of Court contributed an entire 27.25%. The East Carroll Parish Clerk of Court's contribution for the year ending June 30, 2018, was \$75,275, equal to the required contributions of the year.

The Louisiana Clerks of Court Association issues a publicly available Actuarial Valuation and required supplementary information. That information may be obtained by writing to Louisiana Clerks of Court Association, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

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

At June 30, 2018, the Clerk reported a liability of \$465,763 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 clerks, actuarially determined. At June 30, 2017, the Clerk's proportion was .307854 percent, which was an increase of .024382 from its proportion as of June 30, 2016.

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 6 - PENSION PLAN – continued

For the year ended June 30, 2018, the Clerk recognized pension expense of \$47,134. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,105	\$ 12,222
Changes of assumptions	20,313	-
Net difference between projected and actual earnings on pension plan investments	6,379	-
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	43,994	12,520
Clerk contributions subsequent to the measurement date	74,275	-
Total	\$ 159,066	\$ 24,742

\$74,275 reported as deferred outflows of resources related to pensions resulting from Clerk 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:		
2018	\$	15,157
2019		31,505
2020		22,769
2021		15,360

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 6 - PENSION PLAN – continued

Actuarial assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense, including inflation
Projected salary increases	5.00%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining	
Service Lives	2017 - 5 years 2016 - 5 years 2015 - 5 years 2014 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 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 combing 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 – 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 results of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 6 - PENSION PLAN – continued

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by adding expected inflation. The long-term rate of return was 7.60%, for the year ended June 30, 2016.

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

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.0%	1.75%
Core plus fixed income	15.0%	2.25%
Domestic Equity:		
Large cap domestic equity	21.0%	5.25%
Nonlarge cap domestic equity	7.0%	5.00%
International Equity:		
Large cap international equity	14.0%	5.25%
Small cap international equity	6.5%	5.25%
Emerging markets	6.5%	7.25%
Real Estate	10.0%	4.50%
Master Limited Partnerships	5.0%	7.00%
Hedge Funds	10.0%	3.00%
	100.0%	

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 these 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.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 6 - PENSION PLAN – continued

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.0%, 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 (6.0%) or one percentage point higher (8.0%) than the current rate at June 30, 2017.

	Changes in Discount Rate 2017		
	1%	Current	1%
	Decrease 6.0%	Discount Rate 7.0%	Increase 8.0%
Net Pension Liability	\$ 712,784	\$ 465,763	\$ 256,050

NOTE 7 - DEFERRED COMPENSATION PLAN

Plan Description. The East Carroll Parish Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Clerk employees, permits the employees to defer a portion of their salary until future years. The Clerk matches 100% of employee contributions. The Clerk's contribution to the plan amounted to \$9,000 and \$10,400 for the years ended June 30, 2018, and 2017, respectively. The deferred compensation is not available to employees until termination, retirement, death or proof of hardship.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participant's rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

NOTE 8 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The Clerk's long-term obligations are as follows for the year ended June 30, 2018:

	Compensated Absences	Pension Liability	OPEB	Total
Balance, June 30, 2017 - restated	\$ 15,173	\$ 524,416	\$ 456,337	\$ 995,926
Additions	4,443	16,622	28,584	49,649
Deletions	-	(75,275)	(19,302)	(94,577)
Balance, June 30, 2018	\$ 19,616	\$ 465,763	\$ 465,619	\$ 950,998

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 9 - LITIGATION AND CLAIMS

The Clerk is not involved in any litigation at June 30, 2018, nor is it aware of any unasserted claims.

NOTE 10 - HEALTH AND LIFE INSURANCE BENEFITS

The Louisiana Clerk of Court Association provides healthcare and life insurance benefits for its employees. Substantially, all of the Clerk's General Fund employees are covered by the Louisiana Clerk of Court Association Insurance Program. During the year ended June 30, 2018, the General Fund paid for those benefits.

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

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

Benefits Provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provided for payments of 100% of retiree pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The benefit terms also provide payment for 0% of dependent dental and vision insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

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

Inactive employees currently receiving benefits payments	2
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	5
Total	7

Total OPEB Liability

The Clerk's total OPEB liability of \$465,618 was measured as of June 30, 2018, and was determined by an actuarial valuation as of January 1, 2018.

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS-continued

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 100% for dependents.
Medicare Supplement:	0% for retirees and 100% for dependents.
Dental:	0% for retirees and 100% for dependents.
Vision:	0% for retirees and 100% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the June 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.

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

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

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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS-continued

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/17	\$ 456,337
Changes for the year:	
Service cost	11,288
Interest	16,579
Difference between expected and actual experience	717
Change in assumptions/inputs	-
Change in benefits terms	-
Benefit payments	(19,302)
Administrative expense	-
Net Changes	9,282
Balance at 6/30/2018	\$ 465,619

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

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB Liability	\$ 543,179	\$ 465,619	\$ 402,658

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 406,628	\$ 465,619	\$ 543,513

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

For the year ended June 30, 2018, the Clerk recognized an OPEB expense \$27,939. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

-continued

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 11- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS-continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 645	\$ -
Changes of assumptions or other inputs	-	-
	<u>\$ 645</u>	<u>\$ -</u>

Amount 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	\$ 72
2020	\$ 72
2021	\$ 72
2022	\$ 72
2023	\$ 72
Thereafter	\$ 287

NOTE 12 - EXPENSES OF THE CLERK PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the Clerk's office are paid by the parish police jury. The Police Jury paid the electric bills for the Clerk's office, and provided office space. None of these expenses are included in the financial statements.

NOTE 13 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	<u>June 30, 2017</u>	Unsettled Deposits		<u>June 30, 2018</u>
		<u>Additions</u>	<u>Reductions</u>	
Agency Funds	\$ 97,365	\$ 134,145	\$ (128,290)	\$ 103,220
Registry of Court Fund	22,162	5,002	(451)	26,713
Total	<u>\$ 119,527</u>	<u>\$ 139,147</u>	<u>\$ (128,741)</u>	<u>\$ 129,933</u>

-continued

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018 – continued**

NOTE 14 - FIDUCIARY FUND TYPE - AGENCY FUNDS

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

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.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 7, 2018, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
GOVERNMENTAL FUND – GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET (NON GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Xerox	\$ 13,500	\$ 12,200	\$ 11,939	\$ (261)
Recording	211,000	203,200	205,237	2,037
Cancellation	500	200	180	(20)
Mortgage certificates	400	200	174	(26)
Marriage licenses	1,300	1,000	930	(70)
Notary	1,100	1,050	960	(90)
Certified copies	3,500	1,300	1,178	(122)
Court attendance	1,100	1,050	940	(110)
Non-support (State)	1,500	14,600	14,317	(283)
Criminal fees	97,800	100,001	100,010	9
Advanced deposit	105,000	98,800	98,648	(152)
Interest	530	526	563	37
Elections	12,000	7,350	7,338	(12)
Clerk's supplemental	24,000	23,350	23,350	-
Other revenue	3,250	3,152	2,775	(377)
Birth certificates	17,500	16,900	16,866	(34)
Total revenues	<u>493,980</u>	<u>484,879</u>	<u>485,405</u>	<u>526</u>
EXPENDITURES				
Salaries:				
Salary & elections	150,300	148,875	148,873	2
Deputies	139,300	132,650	132,650	-
Fringe Benefits:				
Group insurance	50,535	50,535	42,949	7,586
Clerk's retirement	52,500	49,750	51,791	(2,041)
Deferred compensation	9,600	9,600	9,000	600
Medicare/FICA	36,250	32,320	2,724	29,596
Workers compensation	3,112	3,112	3,112	-
Operating Services:				
Marriage license, battered women	2,700	2,700	2,234	466
Universal Commercial Code	38,500	38,500	36,444	2,056
Material Supplies:				
Office	31,300	31,300	32,318	(1,018)
Clerk's suppl. fund	2,840	2,840	2,839	1
Travel & Other Charges:				
Convention	2,190	2,190	2,188	2
Auto (Gas, Insurance, Supplies)	21,040	21,040	21,040	-
Elections	1,165	1,165	1,165	-
Birth certificates	6,850	6,850	6,846	4
Miscellaneous	2,950	2,950	1,738	1,212
Total expenditures	<u>551,132</u>	<u>536,377</u>	<u>497,911</u>	<u>38,466</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (57,152)</u>	<u>\$ (51,498)</u>	<u>(12,506)</u>	<u>\$ 38,992</u>
FUND BALANCE- BEGINNING			<u>119,574</u>	
FUND BALANCE- ENDING			<u>\$ 107,068</u>	

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF CHANGES IN THE CLERK'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018**

	2018
Total OPEB Liability	
Service Cost	\$ 11,288
Interest	16,579
Changes of benefit terms	-
Difference between expected and actual experiences	717
Changes in assumptions or other inputs	-
Benefits payments	(19,302)
Net Change in Total OPEB Liability	9,282
Total OPEB Liability - beginning	456,337
Total OPEB Liability- end	\$ 465,619
Covered Employee Payroll	\$ 280,641
Total OPEB Liability as a percentage of covered employee payroll	165.91%

Note to Schedule:

Changes of Benefit Terms:

None

Changes of Assumptions:

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

2018	3.62%
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**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2018**

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	0.28661%	\$ 386,666	\$ 253,486	152.54%	79.34%
June 30, 2015	0.26673%	\$ 400,103	\$ 240,884	166.10%	78.13%
June 30, 2016	0.28347%	\$ 524,416	\$ 258,739	202.68%	79.81%
June 30, 2017	0.307854%	\$ 465,763	\$ 272,585	170.87%	79.69%

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

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTION
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2018**

Actuarial Valuation Date	Contractually Required Contribution	Contractual Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Percentage of Covered Payroll
June 30, 2014	\$ 44,671	\$ 44,671	\$ -	\$ 253,486	17.62%
June 30, 2015	\$ 45,700	\$ 45,700	\$ -	\$ 240,884	18.97%
June 30, 2016	\$ 58,714	\$ 58,714	\$ -	\$ 258,739	22.69%
June 30, 2017	\$ 74,275	\$ 74,275	\$ -	\$ 272,585	27.72%

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

OTHER SUPPLEMENTARY INFORMATION

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
AGENCY FUNDS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	Advance Deposit Fund	Registry Of Court Fund	Total
Assets			
Cash and cash equivalents	\$ 68,040	\$ 26,713	\$ 94,753
Investments	35,461	-	35,461
Total Assets	103,501	26,713	130,214
Liabilities			
Accounts payable	281	-	281
Unsettled deposits	103,220	26,713	129,933
Total Liabilities	\$ 103,501	\$ 26,713	\$ 130,214

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	Advance Deposit Fund	Registry Of Court Fund	Total
Balances, beginning of year	<u>\$ 97,365</u>	<u>\$ 22,162</u>	<u>\$ 119,527</u>
Additions:			
Deposits:			
Suits and successions	134,145	5,000	139,145
Interest earnings of investments	-	2	2
	<u>134,145</u>	<u>5,002</u>	<u>139,147</u>
Total additions			
	<u>134,145</u>	<u>5,002</u>	<u>139,147</u>
Total	<u>231,510</u>	<u>27,164</u>	<u>258,674</u>
Reductions:			
Clerk's costs	98,648	-	98,648
Settlements to litigants	4,649	392	5,041
Attorney, curators and notarial fees	4,926	-	4,926
Witness, appraisers, keepers, etc.	8,748	-	8,748
Sheriff's fees	11,319	-	11,319
Other fees	-	59	59
	<u>128,290</u>	<u>451</u>	<u>128,741</u>
Total reductions			
	<u>128,290</u>	<u>451</u>	<u>128,741</u>
Balances, end of year	<u>\$ 103,220</u>	<u>\$ 26,713</u>	<u>\$ 129,933</u>

**EAST CARROLL PARISH CLERK OF COURT
LAKE PROVIDENCE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2018**

Beatrice Carter, Clerk

Salary and expense amount	\$ 148,873
Benefits - insurance	13,022
Benefits - retirement	28,286
Benefits - deferred compensation	7,200
Automobile allowance	21,040
Conference	2,188
Telephone	1,749
	<hr/>
Total	<u>\$ 222,358</u>

OTHER REPORTS

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
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Certified Public Accountants

Independent Accountant's Report On Applying Agreed-Upon Procedures

Honorable Beatrice Carter
East Carroll Parish Clerk of Court
East Carroll Parish Courthouse
Lake Providence, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the East Carroll Parish Clerk of Court and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the East Carroll Parish Clerk of Court's compliance with certain laws and regulations during the year ended June 30, 2018, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:221-2251 (the public bid law).

During the year ended June 30, 2018, the East Carroll Parish Clerk of Court had no expenditure that required bids.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each Board member as defined by LSA-RS 42:1100-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included in the listing obtained from management in agreed-upon procedure (2) as immediate family members.

**Lake Providence, Louisiana
Independent Accountant's Report on
Applying Agreed-Upon Procedures
Page Two**

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the lists provided by management in agreed-upon procedure (2)

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments

Management provided us with a copy of the original budget and stated there were no amendments to it.

6. Trace the budget adoption and amendments to the minute books.

We reviewed the original budget and agreed it to the budget report in the financial statements. The Clerk does not have a board or minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues, actual expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year did not exceed budgeted amounts by more than 5%, and actual revenues exceeded or were within 5% of budgeted amounts for the general fund.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- A. Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six disbursements and found that payment was for the proper amount and made to the correct payee.

- B. Determine if payments were properly coded to the correct fund and general ledger account;

Six of the payments were properly coded to the correct fund and general ledger account.

- C. Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Clerk. All six invoices were approved for payment by the Clerk.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:12 (the open meetings law).

**Lake Providence, Louisiana
Independent Accountant's Report on
Applying Agreed-Upon Procedures
Page Three**

The Clerk is an elected official and does not have a board. Therefore, there are no meetings or minutes.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances & Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

The East Carroll Parish Clerk of Court does not have any minutes. We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no suggestions, recommendations, or comments for the prior year.

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

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

The Halford Firm, PLLC

Vicksburg, Mississippi
December 7, 2018