
ASCENSION PARISH CLERK OF COURT

FINANCIAL STATEMENTS

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

Honorable Bridget Hanna of Ascension Parish Clerk of Court
Gonzales, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ascension Parish Clerk of Court (the Clerk), Gonzales, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk'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.

Auditors' 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, the major fund, and the aggregate remaining fund information of the Ascension Parish Clerk of Court, as of June 30, 2018, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Clerk adopted new accounting guidance, *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 the management's discussion and analysis, the budgetary comparison schedule, the schedule of changes in the Clerk's total OPEB liability and related ratios, the schedule of the Clerk's proportionate share of the net pension liability, and the schedule of the Ascension Clerk of Court's contributions on pages 4 through 9 and 36 through 39; respectively 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 inquires of management about whether 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 obtain 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The schedule of compensation, benefits and other payments to agency head on page 40 is presented for the purposes of additional analysis, and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head is the responsibility of management and was 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 schedule of compensation, benefits and other payments to the agency head is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 8, 2018, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz

November 8, 2018
Gonzales, Louisiana

ASCENSION PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

This section of Ascension Parish Clerk of Court's annual financial report presents our discussion and analysis of the Clerk's financial performance during the fiscal year that ended on June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Clerk's total net position increased by \$1,459,675 over the course of this year's operations.
- During the year, the Clerk's expenses were \$4,546,646.
- Expenses for the year increased by \$88,800 or 2 percent.
- Current year revenues increased compared to prior year by 20.9 percent to \$6,006,321.
- The General Fund reported fund balance of \$9,877,123, an increase of 17.9 percent from last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts- management's discussion and analysis (this section), the financial statements, required supplementary information, and other supplementary information. The financial statements include two kinds of statements that present different views of the Clerk.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Clerk's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Clerk's government, reporting the Clerk's operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the Clerk acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Clerk's financial statements, including the portion of the Clerk's government they cover and types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

ASCENSION PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Figure A-1

Major Features of the Clerk's Government-wide and Fund Financial Statements

	Fund Statements		
	Government-wide Statements	Governmental Fund	Fiduciary Fund
Scope	Entire Clerk government (except judiciary funds)	The activities of the Clerk that are not proprietary or fiduciary, such as general government	Instances in which the Clerk is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none">• Statement of net position• Statement of activities	<ul style="list-style-type: none">• Balance sheet• Statement of revenues, expenditures, and changes in fund balance	<ul style="list-style-type: none">• Statement of fiduciary net position
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Clerk's funds do not currently contain capital assets, although they can
Type of Inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received or have otherwise been incurred	All revenues and expenses during year, regardless of when cash is received or paid

ASCENSION PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Government-wide Statements

The government-wide statements report information about the Clerk as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in accordance in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Clerk's net position and how they have changed. Net position-the difference between the Clerk's assets and liabilities-is one way to measure the Clerk's financial health, or position.

- Over time, increases or decreases in the Clerk's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Clerk you need to consider additional nonfinancial factors such as the growth of Ascension Parish.

The government-wide financials of the Clerk include:

- Governmental activities-most of the Clerk's basic services are included here, such as personal services and benefits, and operating activities. Charges for services such as, recordings, suits, certified copies, and criminal fees finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Clerk's most significant funds not the Clerk as a whole. Funds are accounting devices that the Clerk uses to keep track of specific sources of funding and spending for particular purposes.

The Clerk has two kinds of funds:

- Governmental fund-Most of the Clerk's basic services are included in the governmental fund, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statement, or on the subsequent page, that explains the relationship (or differences) between them. The Clerk's operations are accounted for in the General Fund.
- Fiduciary funds-These funds are used as depositories for suits. Disbursements from these funds are made to various litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Clerk's government-wide financial statements because the Clerk cannot use these assets to finance its operations.

ASCENSION PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

FINANCIAL ANALYSIS OF THE CLERK AS A WHOLE

Net position. The Clerk's net position increased between fiscal years 2018 and 2017 to approximately \$3.6 million. (See Table A-1)

Table A-1

Statement of Net Position-Governmental Activities

	2018	(Restated) 2017
Cash and other assets	\$ 9,950,069	\$ 8,438,795
Capital assets, net	167,157	246,404
Total assets	10,117,226	8,685,199
Deferred outflows of resources	858,870	1,374,638
Total assets and deferred outflows of resources	10,976,096	10,059,837
Current liabilities	26,826	46,303
Long-term liabilities	7,239,629	7,707,566
Total liabilities	7,266,455	7,753,869
Deferred inflows of resources	123,034	179,036
Total liabilities and deferred inflows of resources	7,389,489	7,932,905
Net investment in capital assets	167,157	246,404
Unrestricted	3,419,450	1,880,528
Total Net Position	\$ 3,586,607	\$ 2,126,932

Changes in net position. The Clerk's total revenues increased 20.9 percent as a result of legislature approved rate increases on fees. (See Table A-2). Approximately 93 percent of the Clerk's revenues comes from charges for services. The remaining 7 percent is comprised of interest income and miscellaneous fees.

The total cost of all programs and services increased approximately \$88,800 or 2 percent. The Clerk's expenses cover all services performed by its office.

The Clerk's office operated at a surplus for the current year.

ASCENSION PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Governmental Activities

Revenues for the Clerk's governmental activities increased 20.9 percent to \$6.0 million while total expenses increased by 2 percent to \$4.5 million. (See Table A-2).

**Table A-2
Changes in Clerk's Net Position**

	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues		
Charges for services	\$ 5,596,870	\$ 4,629,383
General revenues		
Miscellaneous	336,083	289,848
Interest income	73,368	50,179
Total revenues	<u>6,006,321</u>	<u>4,969,410</u>
Expenses		
Personal service and benefits	3,381,991	3,714,551
Other operating	1,164,655	743,295
Total expenses	<u>4,546,646</u>	<u>4,457,846</u>
Change in net position	\$ 1,459,675	\$ 511,564

FINANCIAL ANALYSIS OF THE CLERK'S FUNDS

As the Clerk completed this year, its governmental fund reported a fund balance of \$9,877,123, an increase from last year of \$1,502,633.

General Fund Budgetary Highlights

Over the course of the year, there were not any amendments to the general fund budget.

CAPITAL ASSETS

At the end of 2018, the Clerk had \$167,157 net investment in capital assets. (See Table A-3).

**Table A-3
Clerk's Capital Assets
(net of depreciation)**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Equipment	\$ 146,616	\$ 217,647
Vehicles	20,541	28,757
Total	<u>\$ 167,157</u>	<u>\$ 246,404</u>

ASCENSION PARISH CLERK OF COURT

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2018

CAPITAL ASSETS (continued)

This year's major capital assets additions include:

- Purchase of new software and office equipment totaling approximately \$15,259.

This year's capital disposals include:

- Obsolete office equipment totaling \$3,526.

LONG-TERM DEBT

The Ascension Parish Clerk of Court's long-term debt consists of other post-employment benefits liabilities, net pension liability, and compensated absences. The Ascension Parish Clerk of Court had \$3,686,533 in other post-employment benefits payable at year end compared to \$3,620,731 (restated) at the previous year end, an increase of \$65,802 or 1.8% as shown in the table below. The other post-employment benefits payable has been restated as a result of the implementation of a new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. See the explanation of current year adoption in footnote 1. The net pension liability has decreased compared to prior year to \$3,470,639. Compensated absences liability increased by \$3,812 compared to prior year.

Long-Term Debt at Year End		
	2018	2017
Other post-employment benefit liability	\$3,686,533	\$3,620,731
Net pension liability	3,470,639	4,008,190
Compensated absences	82,457	78,645
Total	\$7,239,629	\$7,707,566

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk is dependent on charges for services for 93 percent of its revenues. The economy is not expected to generate any significant growth. Therefore, the Clerk's future revenues are expected to remain relatively consistent with current years. The budget for 2019 year is approximately the same as the 2018 year budget.

CONTACTING THE CLERK'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Clerk's finances and to demonstrate the Clerk's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Ascension Parish Clerk's Office, 815 E. Worthey, Gonzales, LA 70737.

ASCENSION PARISH CLERK OF COURT

STATEMENT OF NET POSITION

JUNE 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash and cash equivalents	\$ 6,278,485
Certificates of deposit	2,000,000
Receivables	142,769
Investments	1,470,245
Due from other funds	12,450
Prepaid expense	46,120
Capital assets, net of accumulated depreciation	167,157
TOTAL ASSETS	<u>10,117,226</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows, pension related	845,452
Deferred outflows, other post employment benefit related	13,418
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>858,870</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 10,976,096

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 26,826
Total current liabilities	<u>26,826</u>

LONG-TERM LIABILITIES

Compensated absences payable:	
Due within one year	2,474
Due in more than one year	79,983
Other post employment benefit liability	3,686,533
Net pension liability	3,470,639
Total long-term liabilities	<u>7,239,629</u>
TOTAL LIABILITIES	<u>7,266,455</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows, pension related	123,034
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>123,034</u>

NET POSITION

Net investment in capital assets	167,157
Unrestricted	3,419,450
TOTAL NET POSITION	<u>3,586,607</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION \$ 10,976,096

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH CLERK OF COURT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTION/PROGRAM	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Change in</u> <u>Net Position</u> <u>Governmental</u> <u>Unit</u>
Governmental activities:			
General government	\$ 4,546,646	\$ 5,596,870	\$ 1,050,224
Total governmental activities	<u>\$ 4,546,646</u>	<u>\$ 5,596,870</u>	<u>\$ 1,050,224</u>
	General Revenues:		
	Miscellaneous		336,083
	Interest		<u>73,368</u>
	Total general revenues		409,451
	Change in net position		1,459,675
	Net position- July 1, 2017 (restated)		<u>2,126,932</u>
	Net position- June 30, 2018		<u><u>\$ 3,586,607</u></u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH CLERK OF COURT

BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2018

ASSETS

Cash and cash equivalents	\$ 6,278,485
Certificates of deposit	2,000,000
Accounts receivable	138,579
Accrued interest	4,190
Investments	1,470,245
Due from other funds	<u>12,450</u>
 Total assets	 <u><u>\$ 9,903,949</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	<u>\$ 26,826</u>
 Total liabilities	 <u>26,826</u>
 Fund balance	
Unassigned	<u>9,877,123</u>
 Total fund balance	 <u>9,877,123</u>
 Total liabilities and fund balance	 <u><u>\$ 9,903,949</u></u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH CLERK OF COURT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balance- Governmental Fund \$ 9,877,123

Amounts reported for governmental activities in the statement of net position
are different because:

Prepaid expense 46,120

Deferred outflow, pension related 845,452

Deferred outflow, other post employment benefit related 13,418

Capital assets used in governmental activities are not current financial resources and,
therefore, are not reported in the governmental fund:

Cost of capital assets at June 30, 2018 1,191,118

Less: accumulated depreciation as of June 30, 2018 (1,023,961) 167,157

Long-term liabilities are not due and payable in the current period, and therefore, are
not reported in governmental fund:

Other post employment benefit (3,686,533)

Net pension liability (3,470,639)

Deferred inflows, pension related (123,034)

Compensated absences payable (82,457)

Total net position at June 30, 2018 - Governmental Activities \$ 3,586,607

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH CLERK OF COURT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2018

REVENUES

Birth certificates	\$ 126,672
Certified copies	333,045
Criminal fees	275,900
Recording	2,612,875
Suits	2,034,388
Court attendance	13,760
Miscellaneous	90,522
Internet access	200,230
Interest income	<u>73,368</u>
 Total Revenues	 <u>5,760,760</u>

EXPENDITURES

Current:	
Personal services and benefits	3,381,991
Operating	860,877
Capital outlay	<u>15,259</u>
 Total Expenditures	 <u>4,258,127</u>
 Excess of Revenues over Expenditures	 1,502,633
 Fund Balance, July 1, 2017	 <u>8,374,490</u>
 Fund Balance, June 30, 2018	 <u><u>\$ 9,877,123</u></u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH CLERK OF COURT

RECONCILIATION OF THE GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

JUNE 30, 2018

Excess of Revenues over Expenditures	\$ 1,502,633
Change in prepaid maintenance	28,118
Capital Assets:	
Capital outlay capitalized	15,259
Depreciation expense for year ended June 30, 2018	(94,108)
Loss on disposal of assets	(398)
Change in other post employment benefits liability and deferred outflows of resources	(52,384)
Change in net pension liability and deferred inflows/outflows of resources	(181,194)
Non-employer contributions to cost-sharing pension plan	245,561
Add: Excess of compensated absences earned over amounts used	<u>(3,812)</u>
Change in Net Position- Governmental Activities	<u><u>\$ 1,459,675</u></u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH CLERK OF COURT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2018

ASSETS

Cash	\$ 7,207,812
Certificates of deposit	1,000,000
Total Assets	<u>\$ 8,207,812</u>

LIABILITIES

Unsettled deposits	\$ 8,195,362
Due to other funds	12,450
Total Liabilities	<u>\$ 8,207,812</u>

The accompanying note are an intergral part of this fianancial statement.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Ascension Parish Clerk of Court have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. 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 defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Fund

The Governmental fund account for most of the Clerk's general activities. This fund focuses on the sources, uses, and balances of current financial resources. 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 or operations of the Clerk of Court. The following is the Clerk's governmental fund:

General Fund- The General fund is the primary operating fund of the Clerk. It is used to account 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 Clerk policy.

Fiduciary Funds

Fiduciary fund 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 are used to account for assets held by the Clerk as an agent for litigants held pending court action. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds use the accrual basis of accounting. The following agency funds are utilized by the Clerk of Court:

Advance Deposit Fund-provided for under LRS 13:842, is used to account for advance deposits in suits filed by litigants.

The Registry of Court Fund-provided by LRS 13:475, is used to account for funds held by order of the court until judgement is rendered by the judiciary.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net position and the statement of activities display information about the primary government (the Clerk). These statements include the financial activities of the overall government, except for fiduciary net activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. 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.

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

The GWFS and fiduciary fund statements are reported using the economic resources measurement focus. The government wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Clerk gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, and donations. Revenues from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

FUND FINANCIAL STATEMENTS (FFS):

The amounts reflected in the General Fund are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and change in net fund balance reports on the sources (i.e., revenues and other financing resources) 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 the Clerk's operations.

The fund financials statements provide information about the Clerk's funds, including its fiduciary funds. Separate statement for each fund category: governmental and fiduciary are presented. The emphasis of fund financial statements is on major governmental funds. The General Fund is the Clerk's only major governmental fund.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Clerk considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Copies, fees, recording and interest are considered to be susceptible to accrual. Expenditures are recorded when the relate fund liability is incurred, except for claims and judgements and compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. REPORTING ENTITY

For financial reporting purposes, the Clerk's basic financial statements include all funds that are controlled by the Clerk as an independently elected Parish official. As an independently elected official, the Clerk is solely responsible for the operations of her office. Fiscally independent means that the Clerk may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Clerk also has no component units as other legally separate organizations for which the Clerk is financially accountable. There are no other primary governments with which the Clerk has a significant relationship. Accordingly, the Clerk is a primary government for reporting purposes. The criteria for including organizations as component units within the Clerk's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate.

E. CAPITAL ASSETS

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded at their estimated fair value at the date of donation. The Clerk maintains a threshold of \$1,000 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5
Equipment	3-10

F. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to June 15, the Clerk completes and submits for public inspection an operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing those expenditures.
2. Formal budgetary integration is employed as a management control device during the year for the General fund.
3. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. Budgeted amounts are as originally adopted, or as amended by the Clerk. Individual amendments were not material in relation to the original appropriations.
5. All annual appropriations lapse at fiscal year-end.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vested method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

H. CASH AND CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of three months or less are cash equivalents.

The Clerk invests in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like pool administered by a non-profit corporation under a State of Louisiana law which permits the LAMP investments to be carried at amortized cost instead of fair value. A 2a7-Like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

I. INVESTMENTS

The Ascension Parish Clerk of Court may invest in U.S. Government securities, debentures, and other allowable obligations issued or guaranteed by federal agencies provided such obligations are backed by the full faith and credit of the United States of America. Investments are stated at fair value. Fair value was determined using quoted market prices.

Investment income includes interest earned and unrealized gains and losses (change in fair value).

J. 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. RECLASSIFICATIONS

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. RESTRICTED NET POSITION

For the government-wide statement of net position, net position amount is classified and displayed in three components:

Net investment in capital assets- consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflow 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.

Restricted net position- net position is considered restricted if its use is constrained to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position- consists of all other net position that does not meet the definition of the above two components and is available for general use by the Clerk.

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk.

Assigned- represents balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.

Unassigned- represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to be specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Clerk's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for committed, assigned, and unassigned amounts are available, the Clerk's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

N. PENSION PLANS

The Ascension Parish Clerk of Court is a participating employer the Louisiana Clerks' of Court Retirement and Relief Fund (Fund) as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflows of resources (expenditure) until then. The Clerk has two items that qualifies for this category; pension related deferrals and other post-employment retirement benefits, which are reported in the government-wide statement.

In addition, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Clerk has one item that qualifies for this category; pension related deferrals. This amount is recognized as an inflow of resources in the period that the amount becomes available.

P. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARD AND RESTATEMENT OF NET POSITION

The Clerk adopted Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

The net effect to the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASB Statement No. 75 is as follows:

	<u>Governmental Activities</u>
Total Net Position, June 30, 2017, as previously reported	\$ 4,510,685
Change in Other post-employment benefit liability	(2,383,753)
Total Net Position, June 30, 2017, Restated	<u>\$ 2,126,932</u>

2. CASH AND CASH EQUIVALENTS

At June 30, 2018, the Clerk had cash and cash equivalents totaling \$13,486,297 as follows:

	<u>General Fund</u>	<u>Agency Funds</u>
Demand Deposit	\$ 3,774,450	\$ 7,207,812
LAMP	<u>2,504,035</u>	<u>-</u>
Total	<u>\$ 6,278,485</u>	<u>\$ 7,207,812</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge or 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.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

2. CASH AND CASH EQUIVALENTS (continued)

Custodial credit risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2018, the Clerk's bank balance of \$11,158,034 was not exposed to custodial credit risk.

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

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7-like pools

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

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

3. INVESTMENTS

State law authorizes the Clerk to invest in U.S. Treasury obligations, obligations guaranteed by federal agencies, U.S. government instrumentalities which are federally sponsored, obligations of the State of Louisiana and other States, and certificates of deposit obligations followed by law.

Certificates of Deposit- The Clerk holds certificates of deposits at various financial institutions with maturities ranging from 12 to 18 months and interest rates ranging between 1.25% -1.92%. The following is a summary of the Clerk's certificates of deposit:

	<u>General Fund</u>	<u>Agency Funds</u>
Certificates of deposit	<u>\$ 2,000,000</u>	<u>\$ 1,000,000</u>

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS (continued)

These deposits 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. As of June 30, 2018, the certificates of deposit balances were not exposed to custodial credit risk.

As of June 30, 2018, the Clerk had the following investments and maturities in U.S. Agencies:

	Fair Value	Less than 1 year	1-5 years
General Fund			
U.S. Agencies	<u>\$1,470,245</u>	<u>\$ -</u>	<u>\$1,470,245</u>
Total	<u>\$1,470,245</u>	<u>\$ -</u>	<u>\$1,470,245</u>

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

Credit Risk- Under Louisiana R.S. 33:2955, as amended, the Clerk may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The Clerk's investment policy does not further limit its investment choices. As of June 30, 2018, the Clerk's investments in U.S. Agencies were rated AAA by Moody's Investors Service and AA+ by Standard & Poor's.

Concentration of Credit Risk- The Clerk's investment policy does not limit the amount the Clerk may invest in any one issuer. More than 5 percent of the Clerk's investments are in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation. These investments are 66.74% and 33.26% of total investments, respectively.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2018, are as follows:

	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital Assets			
June 30, 2017	\$ 41,080	\$ 1,138,305	\$ 1,179,385
Additions	-	15,259	15,259
Deletions	-	(3,526)	(3,526)
Cost of Capital Assets, June 30, 2018	<u>\$ 41,080</u>	<u>\$ 1,150,038</u>	<u>\$ 1,191,118</u>
Accumulated depreciation, June 30, 2017	\$ 12,323	\$ 920,658	\$ 932,981
Additions	8,216	85,892	94,108
Deletions	-	(3,128)	(3,128)
Accumulated depreciation, June 30, 2018	<u>20,539</u>	<u>1,003,422</u>	<u>1,023,961</u>
Capital Assets, net of accumulated depreciation, June 30, 2018	<u>\$ 20,541</u>	<u>\$146,616</u>	<u>\$ 167,157</u>

For the year ended June 30, 2018, depreciation expense was \$ 94,108.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION PLAN

Plan Description

Substantially all employees of the Ascension Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 10202 Jefferson Hwy, Bldg. A, Baton Rouge, LA 70809, or by calling (225) 293-1162.

The Clerk's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB 68. These standards require the Clerk's office to record its proportional share of the pension plan's Net Pension Liability and report the following disclosures:

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 financial 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 sixty consecutive months, with a limit of 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, 2013. 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.

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:

- 1) 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 disabled 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.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION PLAN (continued)

- 2) 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:

- 1) The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- 2) 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:

- 1) Forty percent of their monthly average final compensation.
- 2) 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. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced 1/4 of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid 1/2 of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION PLAN (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. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan.

The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. Interest accruals cease upon termination of employment. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation.

The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments:

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of 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 order to grant any cost of living increase, the Fund must meet criteria as detailed in the Louisiana statutes related to funding status.

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.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION PLAN (continued)

According to state statute, contribution requirements for all employers are actuarially determined each year. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate to be calculated and set two years prior to the year effective.

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

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk is required to contribute at an actuarially determined rate. The current rate is 19.0 percent of annual covered payroll. Contributions to the plan also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:105, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk's contributions to the Plan, for the years ending June 30, 2018, 2017, and 2016 were \$391,675, \$393,192, and \$375,738, respectively.

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 \$3,470,639 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 proportionate share of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Clerk's proportion was 2.29398 percent, which was an increase of 0.12736% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk recognized pension expense of \$453,777 plus (minus) employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$64,367.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 105,106	\$ (91,071)
Changes of assumptions	151,366	-
Net difference between projected and actual earnings on pension plan investments	47,531	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	149,774	(31,963)
Employer contributions subsequent to the measurement date	391,675	-
Total	<u>\$ 845,452</u>	<u>\$ (123,034)</u>

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION PLAN (continued)

The Clerk reported a total of \$391,675 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as an increase (decrease) in pension expense as follows:

Year	
2018	\$ 91,735
2019	217,907
2020	106,853
2021	<u>(85,752)</u>
	<u>\$ 330,743</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017, are as follows:

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%
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 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.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION PLAN (continued)

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 through 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 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. 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>Target Asset</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%
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%
	<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 the PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION PLAN (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Clerk's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Clerk's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	6.00%	7.00%	8.00%
Clerk's Share NPL	\$ 5,311,326	\$ 3,470,639	\$ 1,907,964

6. DERERRED COMPENSATION PLAN

The Clerk adopted an (IRC) 457 deferred compensation plan effective February 1, 2001. The plan covers all full-time employees. The Clerk matches up to 10 percent of employee contributions. The Clerk's contributions for the years ending June 30, 2018, 2017, and 2016 were \$168,769, \$164,538, and \$150,837; respectively.

7. EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years (at the expiration of the term of office) the Clerk must pay the parish treasurer any balance in the Clerk's salary fund which exceeds one-half of the revenues of the last year of the term, which amount shall be limited to not more than that which was received by the Clerk in accordance with R.S. 13:784 (A) during said term of office. The Parish Council has not provided any direct funding to the Clerk under statute R.S. 13:784 (A). At June 30, 2018, there was no amount due the parish treasurer.

8. CHANGES IN LONG-TERM LIABILITIES

	<u>Compensated Absences</u>	<u>Restated OPEB Liability</u>	<u>Net Pension Liability</u>
Long term obligations at July1, 2017	\$ 78,645	\$ 3,620,731	\$ 4,008,190
Additions	3,812	215,524	-
Deletions	-	(149,722)	(537,551)
Long term obligations at June 30, 2018	\$ 82,457	\$ 3,686,533	\$ 3,470,639

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

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

Benefits provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 50% of retiree and 50% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 50% 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	17
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	42
Total	<u>59</u>

Total OPEB Liability

The Clerk's total OPEB liability of \$3,686,533 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.

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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:	N/A for retirees and N/A for dependents.
Medicare Supplement:	50% for retirees and 50% for dependents.
Dental:	50% for retirees and 50% for dependents.
Vision:	50% for retirees and 50% for dependents.
Basic Life Insurance:	50%

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.

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

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 6/30/2017	\$3,620,731
Changes for the year:	
Service Cost	69,550
Interest	130,878
Differences between expected and actual experience	15,095
Changes in Assumptions/Inputs	-
Change in Benefit Terms	-
Benefit payments	(149,722)
Administrative Expense	-
Net Changes	<u>\$65,802</u>
Balance at 6/30/2018	<u>\$3,686,533</u>

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB Liability	\$4,281,082	\$3,686,533	\$3,204,716

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	Discount Rate	1% Increase
Total OPEB Liability	\$3,299,881	\$3,686,533	\$4,096,625

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

For the year ended June 30, 2018, the Clerk recognized an OPEB expense of \$202,106. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 13,418	\$ -
Changes of assumptions or other inputs	-	-
Total	\$ 13,418	\$ -

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	\$1,677
2020	1,677
2021	1,677
2022	1,677
2023	1,677
Thereafter	5,033
	\$13,418

ASCENSION PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

10. EXPENITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL

The Parish Council pays for expenditures associated with court house where the Clerk maintains an office. These expenses are not included in the accompanying financial statements.

11. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Clerk purchased a commercial insurance policy to satisfy claims related to general liability, automobile liability, property and casualty, employee health and accident, and errors and omissions.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, November 8, 2018, and determined that there were no events that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

ASCENSION PARISH CLERK OF COURT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Birth certificates	\$ 130,000	\$ 130,000	\$ 126,672
Certified copies	345,000	345,000	333,045
Criminal fees	250,000	250,000	275,900
Recording	1,740,500	1,740,500	2,612,875
Suits	1,750,000	1,750,000	2,034,388
Court attendance	14,000	14,000	13,760
Miscellaneous	44,000	44,000	90,522
Internet access	180,000	180,000	200,230
Interest income	68,530	68,530	73,368
Total Revenues	<u>4,522,030</u>	<u>4,522,030</u>	<u>5,760,760</u>
<u>EXPENDITURES</u>			
Current:			
Personal service and benefits	3,439,483	3,439,483	3,381,991
Operating	1,027,150	1,027,150	860,877
Capital outlay	25,000	25,000	15,259
Total Expenditures	<u>4,491,633</u>	<u>4,491,633</u>	<u>4,258,127</u>
Excess of Revenues over Expenditures	30,397	30,397	1,502,633
Fund Balance, July 1, 2017	<u>8,196,661</u>	<u>8,196,661</u>	<u>8,374,490</u>
Fund Balance, June 30, 2018	<u>\$ 8,227,058</u>	<u>\$ 8,227,058</u>	<u>\$ 9,877,123</u>

ASCENSION PARISH CLERK OF COURT

SCHEDULE OF CHANGES IN THE CLERK'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 69,550
Interest	130,878
Changes of benefit terms	-
Differences between expected and actual experience	15,095
Changes in assumptions or other inputs	-
Benefit payments	(149,722)
Net change in total OPEB liability	<u>65,801</u>
Total OPEB liability- beginning	<u>3,620,731</u>
Total OPEB liability- ending	<u><u>\$ 3,686,533</u></u>
Covered employee payroll	\$ 2,084,839
Total OPEB liability as a percentage of covered employee payroll	176.80%

Notes to Schedule:

Changes of Benefit Terms: None

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

2018 3.62%

ASCENSION PARISH CLERK OF COURT
SCHEDULE OF THE CLERK'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018(*)

Louisiana Clerks' of Court Retirement	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	2.2950%	2.1666%	2.2012%	2.2032%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,470,640	\$ 4,008,190	\$ 3,301,835	\$ 2,971,841
Covered Payroll	\$ 2,069,484	\$ 1,983,273	\$ 1,991,407	\$ 2,002,827
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	167.7056%	202.0998%	165.8041%	148.3823%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.6914%	74.1703%	78.1291%	79.3714%

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

(*) The amounts represented have a measurement date of the previous fiscal year.

ASCENSION PARISH CLERK OF COURT

SCHEDULE OF ASCENSION CLERK OF COURT'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

Louisiana Clerks' of Court Retirement	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 391,675	\$ 393,202	\$ 375,738	\$ 378,367
Contributions in relation to contractually required contributions	<u>391,675</u>	<u>393,192</u>	<u>375,738</u>	<u>378,367</u>
Contribution deficiency (excess)	-	10	-	-
Covered Payroll	\$ 2,061,448	\$ 2,069,484	\$ 1,983,273	\$ 1,991,407
Contributions as a % of Covered Payroll	19.0000%	19.0000%	18.9453%	19.0000%

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

Notes to the Net Pension Liability Required Supplementary Information

Changes in Benefit Terms:

There were no changes in benefit terms for the fiscal year ended June 30, 2018.

Changes in Assumptions:

There were no changes in assumptions for the fiscal year ended June 30, 2018.

ASCENSION PARISH CLERK OF COURT

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS

TO AGENCY HEAD

JUNE 30, 2018

Agency Head Name: Bridget Hanna, Clerk of Court

Purpose	Amount
Salary	\$ 160,679
Benefits- insurance	10,485
Benefits- retirement	43,765
Deferred compensation	12,125
Benefits- Other (custodian voting machine)	2,400
Dues	1,153
Cell phone	788
Per diem	1,269
Registration fees	950
Conference travel	1,450
Total	<u>\$ 235,064</u>



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

Honorable Bridget Hanna
Ascension Parish Clerk of Court
Gonzales, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Ascension Parish Clerk of Court, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Ascension Parish Clerk of Court's basic financial statements, and have issued our report thereon dated November 8, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Diez, Dupuy + Ruiz

November 8, 2018
Gonzales, Louisiana

ASCENSION PARISH CLERK OF COURT

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2018

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of Ascension Parish Clerk of Court were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of Ascension Parish Clerk of Court which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FINDINGS-FINANCIAL STATEMENT AUDIT

None noted.

COMPLIANCE

None noted.

ASCENSION PARISH CLERK OF COURT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2018

FINDINGS- FINANCIAL STATEMENT AUDIT

None noted.

COMPLIANCE

None noted.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Bridget Hanna of Ascension Parish Clerk of Court and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Ascension Parish Clerk of Court (the "Clerk" and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Clerk's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

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

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

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

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

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

Written policies and procedures do not address management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Management's response: Policy will be amended to include the actions required to determine the completeness of collections for each type of revenue or agency fund additions.

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

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

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

The Clerk's policy did not include the category of legal review.

Managements response: We will consider amending the written policy for contracts to address legal review.

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

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

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

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

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

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

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

No policy was provided and no debt was incurred during the fiscal year end.

Management's response: We do not have any debt; however, will consider adopting a policy.

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.

The entity does not have a board or finance committee, as the Clerk of Clerk is an elected official responsible for all oversight of the entity. These procedures were not applicable to the entity.

- 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.

The entity does not have a board or finance committee, as the Clerk of Clerk is an elected official responsible for all oversight of the entity. These procedures were not applicable to the entity.

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

The entity does not have a board or finance committee, as the Clerk of Clerk is an elected official responsible for all oversight of the entity. These procedures were not applicable to the entity.

Bank Reconciliations

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

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

- 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);

Obtained bank reconciliations for the month selected noting that reconciliations have been prepared within 2 months of the related statement 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

The bank reconciliations include evidence that a member of management, who does not handle cash, post ledgers, or issue checks, has reviewed each bank reconciliation.

- 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.

Obtained bank statements and reconciliations for months selected noting management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

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).

Obtained listing of deposit sites and management's representation that listing is complete.

- 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:

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

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

Employees responsible for cash collections share the same cash drawer.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- 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.

No exceptions noted.

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.

Sequentially numbered receipts were not used.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Collection documentation and deposit slip supported the cash collections.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Deposit slips agree to the actual deposit per the bank statement without exception.

- 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).

Deposits were made without exception.

- e) Trace the actual deposit per the bank statement to the general ledger.

Deposits per bank statement agree to the general ledger without exception.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete.

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.

No exceptions noted.

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

No exceptions 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.

No exceptions 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.

No exceptions 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.

The disbursement matched the related original invoice.

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

The disbursement documentation included evidence of segregation of duties tested under #9.

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.

Obtained listing of credit cards/debit cards/fuel cards and management's representation that 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.]

No exceptions noted.

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

No finance charges and/or late fees were assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions noted.

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

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Contracts

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Payroll and Personnel

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Ethics

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

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

Documentation obtained supported each employee/official completed one hour of ethics training during the fiscal period.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Documentation obtained supported each employee/official attested through signature verification that he or she has read the Clerk's ethics policy during the fiscal year.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No debt was issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable.

Other

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

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

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the Clerk's premises and website.

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 SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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.

Diez, Dupuy & Ruiz

Gonzales, Louisiana
November 8, 2018