

IBERIA PARISH CLERK OF COURT

New Iberia, Louisiana

Financial Report

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Michael Thibodeaux
Iberia Parish Clerk of Court
New Iberia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court (Clerk), 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Clerk, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 16 to the financial statements, in 2018, the Clerk adopted new accounting guidance, GASB 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 RSI on pages 36-41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The other supplementary information on pages 43-46 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 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 agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
December 27, 2018

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 1,175,360
Receivables, net	90,717
Accrued interest	1,710
Due from other funds	4,426
Capital assets, net	<u>22,312</u>
Total assets	<u>1,294,525</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>490,683</u>
LIABILITIES	
Accounts and other payables	59,325
Due to other funds	5,225
Net OPEB obligation payable	5,418,265
Net pension liability	2,237,589
Capital lease payable:	
Due within one year	7,656
Due in more than one year	<u>11,484</u>
Total liabilities	<u>7,739,544</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	12,424
Deferred inflows of resources related to pensions	<u>87,194</u>
Total deferred inflows of resources	<u>99,618</u>
NET POSITION	
Net investment in capital assets	3,172
Unrestricted (deficit)	<u>(6,057,126)</u>
Total net position	<u>\$ (6,053,954)</u>

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

Activities	Expenses	Program Revenues Fees, Fines, and Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
General government	\$ 3,007,470	\$ 2,776,817	(230,653)
General revenues:			
Interest income			7,868
Non employer pension contribution			158,318
Miscellaneous			166,932
Loss on disposal			(6,799)
Total general revenues			326,319
Change in net position			95,666
Net position - beginning, as restated			(6,149,620)
Net position - Ending			\$(6,053,954)

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

FUND FINANCIAL STATEMENTS

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Balance Sheet - Governmental Fund
June 30, 2018

ASSETS

Cash and interest-bearing deposits	\$ 1,175,360
Receivables:	
Accounts receivable	88,315
Accrued interest	1,710
Due from other funds	4,426
Other receivable	<u>2,402</u>
Total assets	<u>\$ 1,272,213</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 59,325
Due to other funds	<u>5,225</u>
Total liabilities	64,550
Fund balance:	
Unassigned	<u>1,207,663</u>
Total liabilities and fund balances	<u>\$ 1,272,213</u>

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

Fund balance for governmental fund	\$ 1,207,663
Capital assets, net	22,312
Long-term liabilities:	
Net OPEB obligation payable	(5,418,265)
Net pension liability	(2,237,589)
Capital lease payable	(19,140)
Deferred outflows of resources related to OPEB and net pension liability	490,683
Deferred inflows of resources related to OPEB and net pension liability	<u>(99,618)</u>
Net position of governmental activities	<u>\$ (6,053,954)</u>

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

Revenues:	
Licenses and permits	\$ 8,993
Fees, charges and commissions	297,880
Fees for recording legal documents	2,399,185
Fees for certified copies	70,759
Miscellaneous	<u>174,800</u>
Total revenues	<u>2,951,617</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	2,243,822
Operating services	326,654
Material and supplies	<u>183,204</u>
Total expenditures	<u>2,753,680</u>
Excess of revenues over expenditures	197,937
Fund balance, beginning	<u>1,009,726</u>
Fund balance, ending	<u>\$ 1,207,663</u>

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

Net change in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 197,937
Capital assets:	
Depreciation expense	(11,562)
Transactions involving capital assets:	
Loss on disposal of assets	(6,799)
Long-term liabilities:	
Principal payments on capital lease	7,656
The effect of recording net pension/OPEB liability and deferred outflows/inflows of resources:	
Change in OPEB expense	(133,255)
Change in pension expense	(116,629)
Nonemployer pension contribution revenue recognized	<u>158,318</u> <u>(91,566)</u>
Changes in net position per Statement of Activities	<u>\$ 95,666</u>

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Combined Statement of Fiduciary Assets and Liabilities
June 30, 2018

ASSETS

Cash	\$ 2,037,885
Investments	100,922
Accrued interest receivable	1,024
Other Receivables	14,959
Due from General Fund	<u>5,225</u>
Total assets	<u>\$ 2,160,015</u>

LIABILITIES

Due to General Fund	\$ 4,426
Due to Litigants and others	1,639,197
Unsettled Deposits	<u>516,392</u>
Total liabilities	<u>\$ 2,160,015</u>

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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 that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Fund Financial Statements (FFS)

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

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

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

The major fund of the Clerk is described below:

Governmental Fund -

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

Additionally, the Clerk reports the following fund type:

Fiduciary Funds -

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

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

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

Basis of Accounting

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

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

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Program revenues

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

Allocation of indirect expenses

The Clerk reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Use of Restricted Resources

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

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

Cash and interest-bearing deposits

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

Receivables

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

Prepaid Items

Payments made to vendors for services that will benefit future periods are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$500

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Compensated Absences

Employees of the Clerk earn up to four weeks of vacation leave depending on length of service. Employees receive five days of sick leave and two days of personal leave. Vacation, sick, and personal leave must be used in the year earned.

Long-Term Debt

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

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

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

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

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

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

E. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The Clerk does not have a policy for custodial credit risk; however, under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Bank balances	<u>\$ 3,403,559</u>
Federal deposit insurance	\$ 1,100,000
Uninsured and collateral held by the pledging, bank not in the Clerk's name	<u>2,303,559</u>
Total	<u>\$ 3,403,559</u>

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

(3) Investments

All of the Clerk's investments are held by Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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.

Accounting standards require 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 an investment pool that, to the extent practical, invest in a manner consistent with accounting standards. The following facts are relevant for 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 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. 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.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

(4) Capital Assets

Capital asset balances and activity is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture, fixtures, equipment and software	\$ 1,303,802	\$ 26,796	\$ 9,712	\$ 1,320,886
Less accumulated depreciation	<u>1,289,925</u>	<u>11,562</u>	<u>2,913</u>	<u>1,298,574</u>
Net capital assets	<u>\$ 13,877</u>	<u>\$ 15,234</u>	<u>\$ 6,799</u>	<u>\$ 22,312</u>

Depreciation expense of \$11,562 was charged to the general government function.

(5) Changes in Long-Term Debt

The following is a summary of long-term debt for the year ended:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Long-term debt:					
Capital leases	<u>\$ 26,796</u>	<u>\$ -</u>	<u>\$ 7,656</u>	<u>\$ 19,140</u>	<u>\$ 7,656</u>

(6) Capital Leases

The Clerk has leased equipment under a capital lease that will expire December 2021. The capitalized assets and related accumulated depreciation amounted to \$26,796 and \$7,656, respectively. Current year depreciation on these leased assets amounted to \$7,656.

The following is a schedule of the future minimum lease payments under the capital lease:

<u>Year Ended June 30,</u>	
2019	\$ 7,656
2020	7,656
2021	<u>3,828</u>
Total minimum lease payments	<u>\$ 19,140</u>

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

(7) Pension Plan

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

Plan Description

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

Retirement Benefits

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

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

Disability Benefits

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

- a. A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.

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

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

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

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

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

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

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

Survivor Benefits

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Deferred Retirement Option Plan

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

Cost of Living Adjustments

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1. In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 19.00% and the member's required contribution was 8.25%. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Contributions from non-employer contributing entities were \$158,318. Contributions to the pension plan from the Clerk of Court were \$253,634.

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

As of June 30, 2018, the Clerk reported a liability of \$2,237,589 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2017, the Clerk's proportion was 1.478973%, which was an increase of 0.031838% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk recognized pension expense of \$364,442.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 67,764	\$ 58,715
Change of assumptions	97,589	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	53,050	28,479
Net differences between projected and actual earnings on plan investments	30,644	-
Contributions subsequent to the measurement date	241,636	-
Total	\$ 490,683	\$ 87,194

Deferred outflows of resources of \$241,636 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,			
2019			\$ 48,263
2020			134,018
2021			55,752
2022			(76,180)
			\$ 161,853

Actuarial Methods and Assumptions

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

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New Iberia, Louisiana

Notes to the Basic Financial Statements

The actuarial assumptions used in the June 30, 2017 valuation (excluding mortality) were based on the assumptions used in the June 30, 2017 actuarial funding valuation, and were initially designed to match, to the extent possible, those used by the prior actuary for the fiscal 2010 valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	5.00%
Inflation rate	2.50%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2017 - 5 years 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 to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2016 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, unless otherwise specified.

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

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Notes to the Basic Financial Statements

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

Discount Rate

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Sensitivity to Changes in Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of net pension liability	<u>\$ 3,424,314</u>	<u>\$ 2,237,589</u>	<u>\$ 1,230,101</u>

(8) Deferred Compensation Plan

The Clerk has an IRC 457 defined compensation plan. The plan covers all full-time employees. The Clerk matches employee contributions up to 6 percent of compensation. The Clerk’s contribution for the year was \$102,604.

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

Plan Description

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

Benefits provided

The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 50% of dependent pre-Medicare health, Medicare Supplement, and dental insurance premiums. Vision is voluntary and paid 100% by the retiree. The plan also provides for payment of 100% of retiree life insurance premiums.

Employees covered by benefit terms

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Inactive employees currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>28</u>
Total	<u><u>43</u></u>

Total OPEB Liability

The Clerk's total OPEB liability of \$5,418,265 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018.

	<u>Total OPEB Liability</u>
Balance at 6/30/17	\$ 5,297,434
Changes for the year:	
Service Cost	97,206
Interest	192,492
Differences between expected and actual experience	(14,494)
Changes in assumption/inputs	-
Change in benefit terms	-
Benefit payments	(154,373)
Administrative Expense	-
Net Changes	<u>120,831</u>
Balance at 6/30/18	<u><u>\$ 5,418,265</u></u>

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:

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

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 Supplemental:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging
Dental:	Initially 3.5%, decreasing 0.25% per year to an ultimate rate of 3.0%
Vision:	3.0% per year
Retirees' Share of Benefit- Related Costs:	
Medical:	0% for retirees and 50% for dependents
Medicare Supplemental:	0% for retirees and 50% for dependents
Dental:	0% for retirees and 50% for dependents
Vision:	100% for retirees and 100% for dependents
Basic life insurance:	0%

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

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

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	\$ 6,273,536	\$ 5,418,265	\$ 4,718,216

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	\$ 4,774,633	\$ 5,418,265	\$ 6,010,823

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 \$287,628. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 12,424

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		\$ (2,071)
2020		(2,071)
2021		(2,071)
2022		(2,071)
2023		(2,071)
Thereafter		(2,069)
		\$ (12,424)

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

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

A detail of compensation, benefits, and other payments to Clerk of Court, Michael Thibodeaux, is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 160,065
Benefits - Insurance	12,832
Benefits - Retirement	43,784
Benefits - Deferred Compensation	11,247
Car Allowance	24,085
Per Diem	975
Conference, Travel, and Continuing Professional Education	1,699
Registration fees	1,150
Other - Election Expense	2,400
	<u>\$ 258,237</u>

(11) Risk Management

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

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

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

(13) Excess Fund Balance

R.S. 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. The potential liability to the parish is limited to amounts received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books. The Clerk was not obligated to reimburse the parish treasurer during the year.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

(14) Litigation

The Clerk was not involved in any lawsuits expected to result in a judgment for damages that would have a material adverse effect on the Clerk’s financial position.

(15) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for the fiscal years beginning after December 15, 2019. The effect of implementation on the Clerk’s financial statements has not yet been determined.

(16) Beginning Net Position Adjustment

During the fiscal year ended June 30, 2018, the Clerk adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. This resulted in a restatement of previously reported net positions, as follows:

	<u>Governmental Activities</u>
July 1, 2017 net position, as reported	\$ (2,202,709)
Prior period adjustment:	
Change in accounting principle:	
Net effect of recording OPEB liability	<u>(3,946,911)</u>
July 1, 2017 net position, as restated	<u>\$ (6,149,620)</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Licenses and permits	\$ 10,372	\$ 8,993	\$ 8,993	\$ -
Fees, charges and commissions	261,250	297,879	297,880	1
Fees for recording legal documents	2,036,327	2,395,715	2,399,185	3,470
Fees for certified copies	80,497	70,759	70,759	-
Miscellaneous	<u>223,912</u>	<u>178,269</u>	<u>174,800</u>	<u>(3,469)</u>
Total revenues	<u>2,612,358</u>	<u>2,951,615</u>	<u>2,951,617</u>	<u>2</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	2,095,795	2,212,554	2,243,822	(31,268)
Operating services	266,511	313,602	326,654	(13,052)
Material and supplies	163,300	183,204	183,204	-
Capital Outlay	<u>3,000</u>	<u>13,053</u>	<u>-</u>	<u>13,053</u>
Total expenditures	<u>2,528,606</u>	<u>2,722,413</u>	<u>2,753,680</u>	<u>(31,267)</u>
Excess (deficiency) of revenues over expenditures	83,752	229,202	197,937	(31,265)
Fund balance, beginning	<u>1,009,726</u>	<u>1,009,726</u>	<u>1,009,726</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,093,478</u>	<u>\$ 1,238,928</u>	<u>\$ 1,207,663</u>	<u>\$ (31,265)</u>

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

Total OPEB Liability	
Service cost	\$ 97,206
Interest	192,492
Changes of benefit terms	-
Differences between expected and actual experience	(14,494)
Changes of assumptions	-
Benefit payments	<u>(154,373)</u>
Net change in total OPEB liability	120,831
Total OPEB liability - beginning	<u>5,297,434</u>
Total OPEB liability -end	<u>\$5,418,265</u>
Covered employee payroll	<u>\$1,280,012</u>
Total OPEB liability as a percentage of covered employee payroll	423%

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Employers' Share of Net Pension Liability
For the Year Ended June 30, 2018

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	1.478973%	\$2,237,589	\$1,271,766	175.9%	79.69%
2017	1.447135%	\$2,677,162	\$1,320,860	202.7%	74.17%
2016	1.444328%	\$2,164,959	\$1,264,406	171.2%	78.13%
2015	1.423485%	\$1,920,084	\$1,264,407	151.9%	79.37%

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

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ 253,504	\$ 253,504	\$ -	\$ 1,334,237	19.00%
2017	\$ 241,636	\$ 241,636	\$ -	\$ 1,271,766	19.00%
2016	\$ 250,964	\$ 250,964	\$ -	\$ 1,320,860	19.00%
2015	\$ 240,237	\$ 240,237	\$ -	\$ 1,264,406	19.00%

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

(1) Budget and Budgetary Accounting

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

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

(2) Pension Plan

Changes of Benefit Terms –

There were no changes of benefit terms for the year ended June 30, 2018

Changes of Assumption –

There were no changes of assumptions for the year ended June 30, 2018

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

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

(3) OPEB Plan

Changes of Benefit Terms –

There were no changes of benefit terms for the year ended June 30, 2018

Changes of Assumption –

There were no changes of assumptions for the year ended June 30, 2018

**OTHER
SUPPLEMENTARY INFORMATION**

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana
General Fund

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

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 10,372	\$ 8,993	\$ 8,993	\$ -
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	100,474	87,503	87,503	-
Court attendance reporting	14,094	13,375	13,375	-
Other	146,682	197,001	197,002	1
Total fees, charges and commissions	<u>261,250</u>	<u>297,879</u>	<u>297,880</u>	<u>1</u>
Fees for recording legal documents:				
Recordings	701,744	944,256	947,726	3,470
Cancellations	82,114	102,744	102,744	-
Mortgage certificates	35,486	38,170	38,170	-
Suits and successions	1,216,983	1,310,545	1,310,545	-
Total fees for recording legal documents	<u>2,036,327</u>	<u>2,395,715</u>	<u>2,399,185</u>	<u>3,470</u>
Certified copies	80,497	70,759	70,759	-
Miscellaneous:				
Interest earned	8,155	7,868	7,868	-
Other	215,757	170,401	166,932	(3,469)
Total miscellaneous	<u>223,912</u>	<u>178,269</u>	<u>174,800</u>	<u>(3,469)</u>
Total revenues	<u>\$ 2,612,358</u>	<u>\$ 2,951,615</u>	<u>\$ 2,951,617</u>	<u>\$ 2</u>

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana
General Fund

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

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures:				
Current -				
Personnel services and benefits -				
Salaries	\$ 1,253,795	\$ 1,362,358	\$ 1,362,357	\$ 1
Payroll taxes	12,000	16,213	16,213	-
Hospitalization insurance	450,000	401,602	432,871	(31,269)
Retirement	<u>380,000</u>	<u>432,381</u>	<u>432,381</u>	<u>-</u>
Total personnel services and related benefits	<u>2,095,795</u>	<u>2,212,554</u>	<u>2,243,822</u>	<u>(31,268)</u>
Operating services -				
Advertising	1,210	761	761	-
Insurance	25,000	19,860	19,860	-
Professional fees	80,000	101,479	101,479	-
Telephone	1,800	1,684	1,684	-
Travel and conventions	7,000	12,990	12,989	1
Outside services	20,000	12,706	12,706	-
UCC filings	40,000	39,780	39,780	-
LCRAA fees	14,105	22,518	22,518	-
Printing and binding	3,500	13,859	13,859	-
Miscellaneous	<u>73,896</u>	<u>87,965</u>	<u>101,018</u>	<u>(13,053)</u>
Total operating services	<u>266,511</u>	<u>313,602</u>	<u>326,654</u>	<u>(13,052)</u>
Materials and supplies -				
Office supplies and operations	80,000	95,055	95,055	-
Dues and subscription	1,300	3,146	3,146	-
Repairs and maintenance	70,000	69,684	69,684	-
Equipment rental	<u>12,000</u>	<u>15,319</u>	<u>15,319</u>	<u>-</u>
Total materials and supplies	<u>163,300</u>	<u>183,204</u>	<u>183,204</u>	<u>-</u>
Capital outlay	<u>3,000</u>	<u>13,053</u>	<u>-</u>	<u>13,053</u>
Total expenditures	<u>\$ 2,528,606</u>	<u>\$ 2,722,413</u>	<u>\$ 2,753,680</u>	<u>\$ (31,267)</u>

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana
Agency Funds

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2018

	Advance Deposit	Registry of Court	Totals
ASSETS			
Cash and interest-bearing deposits	\$ 1,521,493	\$ 516,392	\$ 2,037,885
Investments	100,922	-	100,922
Accrued interest receivable	1,024	-	1,024
Other receivables	14,959	-	14,959
Due from General Fund	5,225	-	5,225
Total assets	\$ 1,643,623	\$ 516,392	\$ 2,160,015
LIABILITIES			
Due to General Fund	\$ 4,426	\$ -	\$ 4,426
Due to Litigants and others	1,639,197	-	1,639,197
Unsettled Deposits	-	516,392	516,392
Total liabilities	\$ 1,643,623	\$ 516,392	\$ 2,160,015

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana
Agency Funds

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

	Advance Deposit	Registry of Court	Totals
Balances, beginning of year	<u>\$ 1,439,844</u>	<u>\$ 1,228,982</u>	<u>\$ 2,668,826</u>
Additions:			
Suits and successions	2,368,715	-	2,368,715
Judgements	-	370,104	370,104
Interest	128	1,200	1,328
Total additions	<u>2,368,843</u>	<u>371,304</u>	<u>2,740,147</u>
Reductions:			
Clerk of court costs	1,322,776	-	1,322,776
Refunds to litigants	406,432	1,083,894	1,490,326
Other	204,111	-	204,111
Sheriff fees	231,745	-	231,745
Total reductions	<u>2,165,064</u>	<u>1,083,894</u>	<u>3,248,958</u>
Balances, end of year	<u>\$ 1,643,623</u>	<u>\$ 516,392</u>	<u>\$ 2,160,015</u>

**INTERNAL CONTROL, COMPLIANCE,
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Michael Thibodeaux
Iberia Parish Clerk of Court
New Iberia, Louisiana

We have audited, 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, the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court (Clerk) 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, and have issued our report thereon dated December 27, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit current and prior year audit findings and management's corrective action plan as item 2018-002.

Iberia Parish Clerk of Court's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
December 27, 2018

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2018

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Clerk did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Clerk does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

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

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Clerk determined that it is not cost effective to achieve complete segregation of duties within the accounting department. As such, management has determined that no plan is considered necessary.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2018

B. Compliance

2018-002 Transfer of Unused Advance Deposits/ Unclaimed Property

Fiscal year finding initially occurred: Prior to current Clerk of Court's election to office.

CONDITION: The Clerk's Office transferred unused advance deposits to the Salary Fund instead of issuing refunds to litigants. Unclaimed refunded advance deposits were not remitted to the state treasurer as unclaimed property.

CRITERIA: State law authorizes the Clerk's Office to collect an advance deposit from certain litigants. Court costs and fees are deducted by the Clerk's Office from the advance deposit and disbursed by the Clerk's Office in accordance with law.

At the conclusion of a lawsuit all costs and fees are required to be deducted from the advance deposit and the unused advance deposit refunded to the litigant. La. R.S. 13:842(B) requires the Clerk's Office to refund an unused advance deposit, if a period of five years elapses without any pleadings being filed and the suit is completely inactive during this five-year period. If a refund of an unused advance deposit sent to a litigant is returned to the Clerk's Office, state law requires the Clerk's Office to remit the refund to the state treasurer in the form of unclaimed property.

CAUSE: The cause of the condition is continuation of a process for closing inactive suits which was in place prior to the election of the current Clerk of Court and a lack of understanding of the applicability of the unclaimed property law to unused advance deposits.

EFFECT: Certain advance deposits were not refunded by the Clerk's Office for suits in which the last pleading was filed more than five years prior. Following an investigation by the Louisiana State Police, a grand jury issued an indictment against the Clerk of Court. The Clerk of Court has entered a plea of not guilty. As of the date of this report, no trial date has been set.

RECOMMENDATION: The Clerk's Office should implement policies and procedures to comply with the laws regarding refunding advance deposits and remitting unclaimed property to the state treasurer.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2018

MANAGEMENT'S CORRECTIVE ACTION PLAN: Per the Clerk of Court, the Clerk's Office implemented procedures to close inactive suits and to refund any unused advance deposits. The Clerk's Office began issuing refunds for unused advanced deposits in suits with no pleadings filed for more than five years and remitting unclaimed refunds to the state treasurer.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2017-001 Lack of Controls Over Financial Reporting

CONDITION: The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.

RECOMMENDATION: Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports. In this case I do not believe the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

CURRENT STATUS: Resolved.

B. Compliance

2017-002 Improper Retainage of Unused Advance Court Costs

CONDITION: The Clerk improperly retained unused advance deposit court costs that state law requires to be refunded to the person who originally deposited the monies.

RECOMMENDATION: The Clerk of Court should implement policies and procedures to comply with the laws regarding advance deposits of court costs.

CURRENT STATUS: Unresolved. See item 2018-002.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2018

2017-003 Failure to Remit Unclaimed Property to State Treasurer

CONDITION: The Clerk of court failed to report and remit unclaimed property to the state treasurer as required by the Louisiana Uniform Unclaimed Property Act.

RECOMMENDATION: The Clerk of Court should implement policies and procedures to comply with the laws regarding identification and remittance of unclaimed property to the State Treasurer.

CURRENT STATUS: Unresolved. See item 2018-002

2017-004 Failure to Issue Timely Financial Statements

CONDITION: The Clerk of Court failed to issue timely Financial Statements as required by Louisiana Revises Statute 24:513.

RECOMMENDATION: The Clerk of Court should implement a corrective action plan including the reevaluation of is selection process and establish a monitoring system to monitor the progress of its audits.

CURRENT STATUS: Resolved.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Michael Thibodeaux
Iberia Parish Clerk of Court, and
The Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Iberia Parish Clerk of Court (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. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- 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).
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

- 2. We obtained and inspected 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) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, we obtained the prior year audit report and we observed 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, we 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.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, we obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included 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
 - 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.

Collections

- 4. We obtained 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 selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), we obtained and inspected 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 we observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.

- 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.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
 7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). Alternately, we used 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. We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and we observed 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.
 - b) At least two employees are involved in processing and approving payments to vendors.

- 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.
 - 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.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
- a) Observed that the disbursement matched the related original invoice/billing statement.
 - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. We obtained 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. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- a) Observed 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.
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions. For each transaction, we observed 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).

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

14. We obtained 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. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained 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. We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

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

Debt Service

21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

Other

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

Findings:

In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Written Policies and Procedures, Board (Finance Committee, if applicable), Credit/Debit/Fuel Cards, Travel and Expense Reimbursement, Contracts, Payroll and Personnel, Ethics, and Debt Service.

No exceptions were found as a result of applying procedures listed above except:

Bank Reconciliations:

Bank reconciliations were not prepared for 1 of the 4 bank accounts tested.

For 2 of the 4 bank accounts tested, management did not have documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections:

171 of the 173 receipts tested were deposited 2 days after the date of collection.

Disbursements:

The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

4 of the 5 disbursements tested did not have a Purchase Order attached, and therefore did not include evidence of segregation of duties.

Management's Response:

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

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
December 27, 2018