

TERREBONNE PARISH CLERK OF COURT
Houma, Louisiana

Annual Financial Report
For the Year Ended June 30, 2019

TERREBONNE PARISH CLERK OF COURT
Annual Financial Report
For the Year Ended June 30, 2019

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TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

Our discussion and analysis of the Terrebonne Parish Clerk of Court's (the Clerk) financial performance provides an overview of the financial activities as of and for the fiscal year end. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Position and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Position) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on the Clerk of Court as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Clerk uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

The Clerk is the trustee, or fiduciary, for funds reserved by the Court and Advanced Costs collected for court expenses. All of these fiduciary activities are reported in a separate Combined Statement of Fiduciary Net Position. We exclude these activities from the other financial statements because the Clerk cannot use these assets to finance its operations. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net position of our governmental activities increased by 4.5%.
- During the year, the Clerk had expenses of \$4.3 million that was \$449,998 less than the \$4.8 million generated in fees and other revenues for governmental activities. The increase in net position was \$433,945.
- The governmental funds reported total ending fund balance of \$3.4 million of which 99% was classified as unassigned. This compares to the prior year ending fund balance of \$2.7 million showing an increase of \$689,076 or about 25%.

The Statement of Net Position and the Statement of Activities report only one type of activity - governmental activities. All of the basic governmental services are reported as this type. Fines and fees charged to the public finance most of these activities.

TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

TERREBONNE PARISH CLERK OF COURT AS A WHOLE

Our analysis below focuses on the net position of the governmental-type activities.

Condensed Statement of Net Assets

	FY 2018	FY 2019	Increase (Decrease)
Current and Other Assets	\$ 2,760,252	\$ 3,458,497	\$ 698,245
Capital Assets	74,707	16,270	(58,437)
Total Assets	2,834,959	3,474,767	639,808
Deferred Outflows	775,040	1,966,808	1,191,768
Current Liabilities	13	9,182	9,169
Non-current Liabilities	13,082,036	14,174,085	1,092,049
Total Liabilities	13,082,049	14,183,267	1,101,218
Deferred Inflows	267,286	563,699	296,413
Invested in Capital Assets	74,707	16,270	(58,437)
Unrestricted	(9,814,043)	(9,321,661)	492,382
Total Net Position	<u><u>\$(9,739,336)</u></u>	<u><u>\$(9,305,391)</u></u>	<u><u>\$ 433,945</u></u>

The net position of our governmental activities increased by approximately \$434,000. Current assets increased by almost \$640,000 due to the increase in fees collected over expenses. Capital assets decreased due to the disposal of some old furniture and equipment and depreciation on assets in excess of purchased assets. Deferred outflows and inflows of assets varied from the prior year as part of the changes noted from the pension plan components from the reports provided. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the changes in net position of the governmental-type activities.

Condensed Statement of Activities

	FY 2018	FY 2019	Increase (Decrease)
Total program expenses	\$(4,296,752)	\$(4,324,508)	\$ (27,756)
Total program revenues	4,884,131	4,774,506	(109,625)
Net program income	587,379	449,998	(137,381)
General revenues	-	(16,053)	(16,053)
Change in Net Position	587,379	433,945	(153,434)
Net Position:			
Beginning of the year	(10,326,715)	(9,739,336)	587,379
End of the year	<u><u>\$(9,739,336)</u></u>	<u><u>\$(9,305,391)</u></u>	<u><u>\$ 433,945</u></u>

TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

The total revenues for the year in governmental activities were \$4,758,453 in program revenues a slight decrease of less than 3% from last year. The total cost of all programs and services was \$4,324,508 – basically remaining the same from the prior year.

NON-CURRENT LIABILITIES

OPEB Liability

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the Plan:

Changes in the Total OPEB Liability (Asset)

Balance at 6/30/2018	\$9,881,958
Changes for the year:	
Service Cost	204,313
Interest	310,539
Differences between expected and actual experience	(422,931)
Changes in Assumptions/Inputs	1,115,033
Benefit payments	(329,807)
Change in Net OPEB Obligation	877,146
Ending Net OPEB Obligation	<u>\$10,759,105</u>

Pension Plan Liability

As of June 30, 2019, the Clerk reported a liability of \$3,414,980 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the proportion of the plan was 2.053135%.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$514,406. See note 5 to the financial statements for additional information about Pension Plan Liability.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS

As we noted earlier, the Clerk uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Clerk is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

As the end of the year, its governmental fund reported a fund balance of \$3,449,315. This reflects an increase of \$689,076 or approximately 25% from last year. This increase is primarily the result of an increase in recording fees and fees in criminal cases along with a decrease in total expenditures from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the fiscal year. Total budget variances for expenditures and revenues were favorable and in compliance with the Local Budget Law.

CAPITAL ASSETS

A summary follows:

	6/30/2019	6/30/2018
Furniture & Fixtures	\$ 170,623	\$171,172
Office Equipment	147,892	295,284
Autos	-	12,634
	<u>318,515</u>	<u>479,090</u>
Accumulated Depreciation	<u>(302,245)</u>	<u>(404,383)</u>
	<u>\$ 16,270</u>	<u>\$ 74,707</u>
Depreciation	<u>\$ 43,715</u>	<u>\$ 48,798</u>

More detailed information about the capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk considered many factors when budgeting for the next year, including increased or decreased rates and fees to be charged. Another one of those factors is the new laws and regulations.

Following is a condensed summary of next year's budget:

	<u>FY 2020</u>
Anticipated revenues	\$ 4,595,100
Expenditures:	
Current	4,280,000
Capital outlay	<u>30,000</u>
Anticipated expenditures	<u>4,310,000</u>
Excess of revenues	285,100

TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

Fund Balance:

Beginning of the year	<u>3,363,230</u>
End of the year	<u><u>\$ 3,648,330</u></u>

The following assumptions are used to compile next year's budget:

- The salary of the Clerk of Court is fixed by Statute and includes a certification increase of 7% of the base salary, compensation from the Supplemental Compensation Fund, an expense allowance, and compensation for duties performed in connection with elections. For the year ending June 30, 2020 that amount is budgeted as \$190,000.
- \$515,000 is included to cover the contribution by the office to the Employee Retirement Fund (18.50% of the employer portion and 8.25% of the employee portion).
- Capital outlay includes anticipated expenditures of \$30,000 for the purchase of computer, printers, copiers, desks, and software support and hardware maintenance agreements for the computer systems.
- To allocate funds for the costs of software support and hardware maintenance agreements for the computer system the Clerk has budgeted \$100,000.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of our finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact:

Honorable Theresa A. Robichaux
Terrebonne Parish Clerk of Court
P.O. Box 1569
Houma, LA 70361
985-868-5660

Financial Section



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Theresa A. Robichaux
Terrebonne Parish Clerk of Court
Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Terrebonne Parish Clerk of Court, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2019, and the notes to the financial statements, which collectively comprise the 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 an opinion on these basic 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 Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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 evaluation 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 financial position of the governmental activities and each major fund as of June 30, 2019 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information 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.



Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 27, 2019, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, LA
November 27, 2019



STAGNI & COMPANY, LLC

TERREBONNE PARISH CLERK OF COURT

Statement of Net Position

June 30, 2019

ASSETS	
Cash	\$ 3,393,348
Receivables	49,791
Prepaid Insurance	15,358
Capital assets, net of accumulated depreciation	<u>16,270</u>
Total assets	<u>3,474,767</u>
DEFERRED OUTFLOWS OF RESOURCES	
	1,966,808
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Current liabilities	
Accounts payable and accrued liabilities	9,182
Non-current liabilities:	
Net OPEB liability	10,759,105
Net pension liability	<u>3,414,980</u>
Total liabilities	<u>14,183,267</u>
DEFERRED INFLOWS OF RESOURCES	
	563,699
NET POSITION:	
Net Invested in Capital Assets	16,270
Unrestricted (deficit)	<u>(9,321,661)</u>
Total net position	<u>\$ (9,305,391)</u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

Statement of Activities

For the Year Ended June 30, 2019

EXPENSES

Salaries and benefits	\$ 2,722,278
Office supplies and expense	347,188
Insurance	918,600
Other	292,727
Depreciation	43,715
Total program expenses	<u>4,324,508</u>

PROGRAM REVENUES

Charges for services	<u>4,774,506</u>
Total program revenues	<u>4,774,506</u>

Net Program (Income) Expense 449,998

GENERAL REVENUES

Loss on disposed assets	<u>(16,053)</u>
Total general revenues	<u>(16,053)</u>

Change in Net Position 433,945

NET POSITION

Beginning of year	<u>(9,739,336)</u>
End of year	<u>\$ (9,305,391)</u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

Balance Sheet - Governmental Fund

June 30, 2019

ASSETS	General Fund
Cash and cash equivalents	\$ 3,393,348
Receivables	49,791
Prepaid Insurance	15,358
Total assets	<u>\$ 3,458,497</u>
LIABILITIES AND FUND BALANCES	
Accounts payable and accrued liabilities	<u>\$ 9,182</u>
Total liabilities	9,182
FUND BALANCE	
Nonspendable for Prepaid Insurance	15,358
Unassigned	3,433,957
Total fund balance	<u>3,449,315</u>
Total liabilities and fund balances	<u>\$ 3,458,497</u>

Reconciliation to the Statement of Net Position:

Total fund balance - governmental fund (Fund Financial Statement)	\$ 3,449,315
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Amounts reported for *governmental activities* in the statement of net position (Government-Wide Financial Statements) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Capital Assets	\$ 318,515	
Less Accumulated Depreciation	<u>(302,245)</u>	16,270
Deferred outflows and inflows are not financial resources or currently payable:		
Deferred outflows -pensions	1,011,066	
Deferred outflows-OPEB	<u>955,742</u>	1,966,808
Deferred inflows-pensions	(177,821)	
Deferred inflows-OPEB	<u>(385,878)</u>	(563,699)
Certain non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability		(3,414,980)
Net OPEB Obligation		<u>(10,759,105)</u>
Total net position of governmental activities (Government-Wide Financial Statements)		<u>\$ (9,305,391)</u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2019

REVENUES	General Fund
Suits and successions	\$ 1,777,219
Recording fees	1,859,857
Fees in criminal cases	234,363
Certified copies	169,504
Mortgage certificates	21,320
Court attendance	19,140
Marriage licenses	10,443
Notarial fees	20,412
Other	662,248
Total revenues	<u>4,774,506</u>
EXPENDITURES	
Current - Judiciary:	
Salaries and benefits	2,525,584
Office supplies and expense	347,188
Insurance	918,600
Other	292,727
Total current expenditures	<u>4,084,099</u>
Capital outlay	1,331
Total expenditures	<u>4,085,430</u>
NET CHANGE IN FUND BALANCES	689,076
FUND BALANCES	
Beginning of year	2,760,239
End of year	<u><u>\$ 3,449,315</u></u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2019*

Net change in fund balance - governmental fund (Fund Financial Statements)	\$	689,076
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Capital outlays are reported as expenditures in the governmental fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.		
Add - Capital outlay	\$	1,331
Deduct - Loss on disposed assets		(16,053)
Deduct - Depreciation expense		<u>(43,715)</u>
		(58,437)
Repayment of Non-current liabilities are reported as an expenditure in governmental funds, but the payment reduces long-term obligations in the statement of net position. In the current year, these amounts consists of:		
Pension expense and deferrals		79,434
Other Post-Employment Benefit Cost and deferrals		<u>(276,128)</u>
		<u>(196,694)</u>
Change in net position of governmental activities (Government -Wide Financial Statements)	\$	<u><u>433,945</u></u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

Combining Statement of Fiduciary Net Position

June 30, 2019

	Advance Deposit Fund	Registry of the Court Fund	Total
<hr/> ASSETS <hr/>			
Cash and cash equivalents	\$ 4,367,928	\$ 4,177,707	\$ 8,545,635
Investments	<u>1,120,000</u>	<u>-</u>	<u>1,120,000</u>
Total assets	<u>\$ 5,487,928</u>	<u>\$ 4,177,707</u>	<u>\$ 9,665,635</u>
<hr/> LIABILITIES <hr/>			
Due to State-Unclaimed Property	\$ -	\$ 15,564	\$ 15,564
Unsettled deposits	<u>5,487,928</u>	<u>4,162,143</u>	<u>9,650,071</u>
Total liabilities	<u>\$ 5,487,928</u>	<u>\$ 4,177,707</u>	<u>\$ 9,665,635</u>

See notes to the financial statements.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

INTRODUCTION

The Clerk of Court (LSA-RS 13:781) serves as the parish recorder of conveyances, mortgages, notary public, et cetera. As provided by Article V, Section 28 of the Louisiana Constitution of 1974, The Clerk of Court serves a four-year term of office. The current term expires June 30, 2020. The Clerk may appoint deputies with duties and powers provided by law, with the approval of the district judge.

The financial statements of the Terrebonne Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used is discussed below.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As the governing authority of the parish, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The Consolidated Government maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the Terrebonne Parish Consolidated Government, the clerk of court was determined to be a component unit of the Terrebonne Parish Consolidated Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements

The basic financial statements include both government-wide (reporting the entity as a whole) and fund financial statements (reporting the entity's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government-Wide Financial Statements (GWFS)

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net position is reported in three parts—net invested in capital assets; restricted net assets; and unrestricted. The Clerk first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Clerk's functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if any. The net costs by function are normally covered by general revenue (interest income, miscellaneous).

This government-wide focus is more on the sustainability as an entity and the change in its net position resulting from the current year's activities.

Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements (FFS)

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

A. Basic Financial Statements (Continued)

Governmental Funds

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

General Fund

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

Fiduciary Funds

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

B. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual: The governmental-type activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting (Continued)

Modified Accrual: The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

D. Cash and Cash Equivalents

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

E. Investments

Investments are limited by Louisiana Revised Statute 25 33:2955 and the investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities of investments are 90 days or less, they are classified as cash and cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with a cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture & Fixtures	10 years
Automobiles	5 years
Leased Equipment	5 years

G. Interfund Activities

The Clerk transfers interest earned on the investments of the Advance Deposit Fund to the Salary Fund to be utilized by the Salary Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

H. Fees Transferred from Advance Deposit Agency Fund

These fees represent revenue earned from everyday operations such as filing suits, preparing notices, etc. for litigants. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the Salary Fund.

I. Budgetary Practices

Prior to the beginning of each fiscal year, the Chief Deputy Clerk prepares, and the Clerk approves a formal budget for the General Fund based upon estimated revenues and proposed expenditures for the coming year using the modified accrual basis of accounting.

The proposed budget is published in the official journal of the Parish of Terrebonne and is presented to the public for review and inspection, after which it is finalized and adopted by the elected Clerk of Court of Terrebonne Parish.

A certified copy of the budget is then filed with the Chief Executive or Administrative Officer of the Terrebonne Parish Consolidated Government. Any amendments to the budget are published in the official journal. Budgetary integration is employed as a management tool.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Budgetary Practices (continued)

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

J. Compensated Absences

The employees are allowed a fixed number of days for vacation and sick leave each year. This policy does not provide for the accumulation or vesting of leave. Accordingly, no accrual is recorded for employee leave benefits.

K. Fund Equity

Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

Fund Balance

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

L. Use of Estimates

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

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

M. Due to Terrebonne Parish Consolidated Government

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, which amount shall be limited to no more than that which was received by the clerk in accordance with R.S. 1784 (A) during said term in office. At June 30, 2019, there was no amount due the parish treasurer.

Note 2 **DEPOSITS AND INVESTMENTS**

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The Clerk of Court has balances of deposits at year-end as follows:

	Balances	
	Reported	Bank
Cash and cash equivalent	\$11,938,983	\$12,277,668
Certificates of deposit	1,120,000	1,120,000
Totals	\$13,058,983	\$ 13,397,668

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned. The Clerk does not have a written policy for custodial credit risk. As of year-end, \$11,777,668 of the bank balance was exposed to custodial credit risk.

These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Clerk's name. At year-end, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositors.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 2 DEPOSITS (CONTINUED)

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 RECEIVABLES

Receivable balances at year end were for charges on accounts for services in the General Fund. All balances are expected to be collected in the upcoming year.

Note 4 CAPITAL ASSETS

Capital assets and depreciation activity for the year follows:

Cost:	Furniture & Fixtures	Office Equipment	Autos	TOTALS
Beginning Balance	\$ 171,172	\$ 295,284	\$ 12,634	\$ 479,090
Additions	-	1,331	-	1,331
Deletions	(549)	(148,723)	(12,634)	(161,906)
Total Cost	170,623	147,892	-	318,515
Accumulated Depreciation				
Beginning Balance	164,694	227,055	12,634	404,383
Additions/Adjustments	1,576	42,139	-	43,715
Deletions	(329)	(132,890)	(12,634)	(145,853)
Total Accumulated Depreciation	165,941	136,303	-	302,245
Net Capital Assets	<u>\$ 4,682</u>	<u>\$ 11,589</u>	<u>\$ -</u>	<u>\$16,270</u>
Current Depreciation	<u>\$ 1,576</u>	<u>\$ 42,139</u>	<u>\$ -</u>	<u>\$ 43,715</u>

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 5 PENSION PLAN

The Clerk adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

Plan Description and Provisions

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained from the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana, 70816, or by calling (225) 293-1162.

The following is a brief description of the plan benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

A member or former member is eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3-1/3% 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 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last 6 years of measurement.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 5 PENSION PLAN (continued)

Disability Benefits

Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of 40% of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per RS. 11:1521(C).

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.

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 DROP for up to 36 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 \$40 per month.

The LA 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.

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%.

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. The amount of proportionate share of non-employer contributions for the Clerk for June 30, 2018 was \$225,211.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 5 PENSION PLAN (continued)

The Clerk is not required to but is allowed to pay the employee and employer portion of the required contribution. The Clerk's entire contribution for the years ending June 30, 2017, 2018, and 2019 were \$555,155, \$492,133, and \$498,492 respectively, which were equal to the required contributions for each year.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of June 30, 2019 the Clerk reported a liability of \$3,414,980 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the proportion of the plan was 2.053135%, a decrease of .06201% from the prior year.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$514,406 and the following deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in assumptions	\$ 354,805	\$ -
Differences between expected and actual experience	90,630	(33,736)
Net difference between projected and actual earnings on pension plan investments	65,186	
Changes in proportion	1,953	(144,085)
Contribution after measurement period	498,492	
	<hr/> \$ 1,011,066	<hr/> \$ (177,821)

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 5 PENSION PLAN (continued)

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	\$ 180,762
2020	126,660
2021	(41,054)
2022	68,385
TOTAL	\$334,753

Actuarial Assumptions

The total pension liabilities were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	6.75%
Projected salary increases	5.00%
Expected remaining service lives	5 years

Mortality rates were based on:

- RP-2000 Combined Healthy Mortality Table (set back 4 years for males and 3 year 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)

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,

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 5 PENSION PLAN (continued)

- Do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Core Fixed Income	5.00%	1.75%
Core plus fixed income	15.00%	2.00%
Large cap domestic Equity	21.00%	4.50%
Non-large cap domestic equity	7.00%	4.75%
Large cap international Equity	14.00%	4.75%
Small cap international equity	6.50%	4.50%
Emerging markets	6.50%	6.25%
Real Estate	10.00%	4.00%
Master Limited Partnerships	5.00%	6.00%
Hedge Funds	10.00%	3.50%
Totals	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 Plan's actuary. Based on these assumptions, the Plan'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 period of projected benefit payments to determine the total pension liability.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 5 PENSION PLAN (continued)

Sensitivity to changes in the discount rate

The following presents the net pension liability of the participating employers calculated using the discount rates as shown above, as well as what the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Net Pension Liability	\$5,220,746	\$ 3,414,980	\$ 1,918,160

Note 6 OTHER POST-RETIREMENT BENEFITS

Plan Description. The defined benefit postemployment health care plan (the plan) provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The 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 CLLIT 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 75% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

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

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 6 OTHER POST-RETIREMENT BENEFITS (continued)

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	61
	92

Total OPEB Liability. The total OPEB liability of \$10,759,105 was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2018.

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

Inflation	2.40%	
Salary increases	3.00%	
Discount rate	3.13%	
Healthcare cost trend rates		
Medical:		-4.76% in first year, then 6.75%, decreasing 0.25% per year to an ultimate rate of 5.0%
Medicare Supplement:		Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging.
Dental:		-.69% for 2019, then 3.25%, decreasing 0.25% per year to an ultimate rate of 3.0% for 2021 and later years.
Vision:		-9.98% for 2019, then 3.0% per year
Retirees' Share of Benefit-Related Costs:		
Medical:		0% for retirees and 25% for dependents.
Medicare Supplement:		0% for retirees and 25% for dependents.
Dental:		0% for retirees and 25% for dependents.
Vision:		0% for retirees and 25% for dependents.
Basic Life Insurance:		0%

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 6 OTHER POST-RETIREMENT BENEFITS (continued)

The discount rate was based on the 6/30/2019 Fidelity General Obligation AA 20-Year Yield. Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2018. Mortality rates for retirees and surviving spouses were based on the PubG.H-2010 Healthy Annuitant Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2018. The actuarial assumptions used in the June 30, 2018 valuation were based on those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

Changes in the Total OPEB Liability (Asset)

Balance at 6/30/2018	\$9,881,958
Changes for the year:	
Service Cost	204,313
Interest	310,539
Differences between expected and actual experience	(422,931)
Changes in Assumptions/Inputs	<u>1,115,033</u>
Benefit payments	<u>(329,807)</u>
Change in Net OPEB Obligation	<u>877,146</u>
Ending Net OPEB Obligation	<u>\$10,759,105</u>

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

	1.0% Decrease (2.31%)	Current Discount Rate (3.31%)	1.0% Increase (4.31%)
Total OPEB liability	\$ 12,529,971	\$ 10,759,105	\$ 9,299,753

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2019

Note 6 OTHER POST-RETIREMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability, as well as what the 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 trend rates:

	1.0% Decrease	Trend Rate	1.0% Increase
Total OPEB liability	\$ 9,362,206	\$10,759,105	\$ 12,514,757

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the Clerk recognized OPEB expense of \$609,829 and 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
Differences between expected and actual experience	\$ 0	\$ (385,878)
Changes of assumptions or other inputs	955,742	0
Total	\$ 955,742	\$ (385,878)

Amounts reported at June 30, 2019 as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:	
2020	\$94,977
2021	\$94,977
2022	\$94,977
2023	\$94,977
2024	\$94,977
Thereafter	\$94,979

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2019

Note 7 LITIGATION

There is no litigation pending that is required to be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

Note 8 RISK MANAGEMENT

GENERAL LIABILITY INSURANCE

The Clerk of Court is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court purchases commercial insurance policies for any and all claims relating to the above types of risks.

The Clerk's payment of the deductible is the only liability associated with these insurance policies. There has been no significant reduction in insurance coverage in the prior year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

HEALTH INSURANCE

The Clerk of Court provides health and life insurance to employees through the Louisiana Clerk of Court Association. Under this insurance program, the Clerk pays initial premiums based on the level of the employee's participation and has no further liabilities on any claims.

Required Supplemental Information

TERREBONNE PARISH CLERK OF COURT

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2019

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Suits and successions transferred				
from the Advance Deposit Fund	\$ 1,800,000	\$ 1,678,740	\$ 1,777,219	\$ 98,479
Recording fees	1,940,000	1,818,477	1,859,857	41,380
Fees in criminal cases	275,000	223,546	234,363	10,817
Certified copies	185,000	165,470	169,504	4,034
Interest earned	100	-	-	-
Mortgage certificates	22,000	21,552	21,320	(232)
Court attendance	19,000	17,016	19,140	2,124
Marriage licenses	10,000	10,624	10,443	(181)
Notarial fees	15,000	19,790	20,412	622
Other	475,000	601,935	662,248	60,313
Total revenues	<u>4,741,100</u>	<u>4,557,150</u>	<u>4,774,506</u>	<u>217,356</u>
<u>Expenditures</u>				
Current-Judiciary:				
Salaries and benefits	2,550,000	2,509,628	2,525,584	(15,956)
Office supplies and expense	300,000	242,398	347,188	(104,790)
Insurance	1,062,000	949,068	918,600	30,468
Other	410,000	250,817	292,727	(41,910)
Total current expenditures	<u>4,322,000</u>	<u>3,951,911</u>	<u>4,084,099</u>	<u>(132,188)</u>
Capital outlay	<u>30,000</u>	<u>2,248</u>	<u>1,331</u>	<u>917</u>
Total expenditures	<u>4,352,000</u>	<u>3,954,159</u>	<u>4,085,430</u>	<u>(131,271)</u>
Excess (deficiency) of revenues over expenditures	389,100	602,991	689,076	86,085
<u>Fund Balances</u>				
Beginning of year	2,858,154	2,760,239	2,760,239	-
End of year	<u>\$ 3,247,254</u>	<u>\$ 3,363,230</u>	<u>\$ 3,449,315</u>	<u>\$ 86,085</u>

TERREBONNE PARISH CLERK OF COURT

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Louisiana Clerks' of Court Retirement and Relief Fund

For Fiscal Year Ending:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan Measurement Date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Proportion of the net pension liability (asset)	2.306187%	2.160006%	2.112920%	2.115147%	2.053135%
Proportionate share of the net pension liability (asset)	\$ 2,987,312	\$ 3,240,077	\$ 3,908,846	\$ 3,200,078	\$ 3,414,980
Covered-employee payroll	\$ 1,980,880	\$ 1,968,075	\$ 1,968,891	\$ 1,978,205	\$ 1,935,019
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	150.81%	164.63%	198.53%	161.77%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	65.00%	62.70%	74.17%	79.69%	79.07%

Note: Initial Year of GASB 68 Implementation, Schedule is intended to show information for 10 years. Additional Years will be displayed as they become available.

Notes to Required Supplementary Information

Changes of Benefit Terms.		no changes	no changes	no changes	no changes
Changes of Assumptions:					
Actuarial Cost Method	Entry Age Normal				
Investment rate of return	7.25%	7.00%	7.00%	7.00%	6.75%
Projected salary increase	5.75%	5.00%	5.00%	5.00%	5.00%
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%
Long term expected real rate of return	7.6	7.6	7.6	7.60%	7.10%
Expected service lives	5 years				

TERREBONNE PARISH CLERK OF COURT
Schedule of Required Contributions
Louisiana Clerks' of Court Retirement and Relief Fund

For Fiscal Year Ending:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan Measurement Date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Contractually required contributions	\$ 521,018	\$ 514,508	\$ 555,155	\$ 492,133	\$ 498,492
Contributions in relation to the contractually required contribution	<u>\$ 521,018</u>	<u>\$ 514,508</u>	<u>\$ 555,155</u>	<u>\$ 492,133</u>	<u>\$ 498,492</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 1,980,880	\$ 1,968,075	\$ 1,968,891	\$ 1,978,205	\$ 1,935,019
Contribution as a percentage of covered employee payroll	26.30%	26.14%	28.20%	24.88%	25.76%

Note: Initial Year of GASB 68 Implementation, Schedule is intended to show information for 10 years. Additional Years will be displayed as they become available.

Notes to Required Supplementary Information

Changes of Benefit Terms.	no changes				
Changes of Assumptions:					
Actuarial Cost Method	Entry Age Normal				
Investment rate of return	7.00%	7.00%	7.00%	7.00%	6.75%
Projected salary increase	5.00%	5.00%	5.00%	5.00%	5.00%
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%
Long term expected real rate of return	7.6	7.6	7.6	7.60%	7.10%
Expected service lives	5 years				

TERREBONNE PARISH CLERK OF COURT
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total OPEB Liability	6/30/2018	6/30/2019
Service cost	\$ 198,564	\$ 204,313
Interest	352,076	310,539
Changes of benefit terms	-	-
Differences between expected and actual experience	(31,155)	(422,931)
Changes in assumptions or other inputs	-	1,115,033
Benefit payments	(329,645)	(329,807)
Net change in Total OPEB Liability	189,840	877,147
Total OPEB Liability - beginning	9,692,118	9,881,958
Total OPEB Liability - ending	<u>\$ 9,881,958</u>	<u>\$ 10,759,105</u>

Covered employee payroll	\$ 1,862,553	\$ 1,923,086
OPEB Liability as a percentage of covered employee payroll	530.56%	559.47%

*Note: Initial Year of GASB 75 Implementation is 2018. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Changes of Benefit Terms include: none none

Changes of Assumptions-Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Discount rate	3.62%	3.13%
Inflation	2.40%	2.40%
Salary Increases, including inflation	3.00%	3.00%
Mortality tables	RPH-2014, generational with Scale MP-2017	PubG.H-0010, generational with Scale MP-2018

Other Supplemental Information

TERREBONNE PARISH CLERK OF COURT

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head Name: Theresa Robichaux, Clerk of Court

Purpose	Amount
Salary	\$188,674
Benefits - insurance	\$14,284
Benefits - retirement	\$30,780
Deferred Compensation (Contributions made by the Agency)	\$0
Benefits - Other (HSA Contribution)	\$2,400
Car Allowance	\$0
Vehicle provided by government (amount reported on W-2)	\$0
Cell Phone	\$0
Dues	\$0
Vehicle rental	
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$500
Conference travel	\$1,069
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Other (Including payments made by other parties on behalf of the Agency Head)	\$0

This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting

*Reports Required by
Government Auditing Standards*



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**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**

Honorable Theresa A. Robichaux
Terrebonne Parish Clerk of Court
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated November 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Stagni & Company

Thibodaux, Louisiana
November 27, 2019



TERREBONNE PARISH CLERK OF COURT

**Statewide Agreed Upon Procedures Report
With Schedule of Findings and Management's Responses**

***As of and for the Year Ending
June 30, 2019***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

Terrebonne Parish Clerk of Court

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2018 – June 30, 2019

Terrebonne Parish Clerk of Court and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Terrebonne 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, 2018 through June 30, 2019. The TPCC'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 results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - 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.
- k) **Disaster Recovery/Business**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: *The policies of the Clerk address all of the functions listed; no exceptions noted.*

Board or Finance Committee

- 2. Obtain and review the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one



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meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *This section is not applicable; there is no board/finance committee.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - 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.

Results: *We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account. We selected five (5) bank accounts and obtained bank statements and reconciliations for the randomly selected month – June 2019. All criteria were met without exception.*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - 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, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe 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, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*



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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*



Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Ethics

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

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*



Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Results: *These procedures are not applicable.*

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: *The Clerk did not have exceptions in this category in Year 2 (June 30, 2019), therefore was excluded from testing in Year 3 (June 30, 2019).*

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.

Stagni & Company

Thibodaux, LA
November 27, 2019



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