

PLAQUEMINES PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of net position	6
Statement of activities	7
Fund Financial Statements	
Governmental Fund:	
Balance sheet	9-10
Statement of revenues, expenditures and changes in fund balance	11-12
Statement of agency assets and liabilities	13
Notes to financial statements	14-36
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	38
Schedule of changes in total OPEB liability and related ratios	39
Schedule of employer's share of net pension liability	40
Schedule of employer contributions	41
Notes to required supplementary information	42-43
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	45-46
Schedule of audit results and findings	47-49
Summary schedule of prior audit findings	50
Corrective action plan for current audit findings	51

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of Plaquemines Parish Government, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Clerk of Court'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 Clerk of Court'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.

Basis for Qualified Opinions

The Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2018. The unreconciled deposits represent 13.5 percent of the fiduciary fund type's assets and liabilities at June 30, 2018. Because the Clerk of Court has not reconciled these deposits, it was not practical for us to determine the amount of fees, if any, due to the Advance Deposit Agency Fund from litigants or the amount due to the General Fund from the Advance Deposit Agency Fund for fees earned resulting from suit activity at June 30, 2018. The effects of not reconciling these deposits on the financial statements cannot be reasonably determined.

Qualified Opinions

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

Emphasis of Matter

As described in Note 6 and 14 to the financial statements, the Clerk of Court implemented the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain 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 budgetary comparison schedule on page 38, schedule of changes in total OPEB liability and related ratios on page 39, schedule of employer's share of net pension liability on page 40, schedule of employer contributions on page 41, or notes to required supplementary information on pages 42-43 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Clerk of Court 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 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 of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 *Governmental Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 27, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,381,351
Receivables:	
Accounts, net	8,453
Due from other governmental entities	12,518
Prepaid expenses	10,415
Total current assets	2,412,737
Noncurrent assets:	
Capital assets, net	25,427
Total assets	2,438,164
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to net pension liability	291,441
LIABILITIES	
Current liabilities:	
Accounts payable	2,933
Compensated absences payable	40,279
Total current liabilities	43,212
Noncurrent liabilities:	
OPEB obligation payable	1,483,074
Net pension liability	1,028,194
Total noncurrent liabilities	2,511,268
Total liabilities	2,554,480
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to net pension liability	102,716
NET POSITION	
Net investment in capital assets	25,427
Unrestricted	46,982
Total net position	\$ 72,409

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Activities
Year Ended June 30, 2018

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Contributions	Governmental Activities
Governmental activities:				
General government	\$ 1,400,929	\$ 1,408,456	\$ 72,749	\$ 80,276
General revenues:				
Interest and investment earnings				729
Change in net position				81,005
Net position, as restated - July, 1 2017				(8,596)
Net position - June, 30 2018				\$ 72,409

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

FUND FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet
Governmental Fund
June 30, 2018

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 2,381,351
Receivable:	
Accounts, net	8,453
Due from other governmental entities	12,518
Prepaid expenditures	<u>10,415</u>
Total assets	<u>\$ 2,412,737</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 2,933
Other liabilities	<u>40,279</u>
Total liabilities	<u>43,212</u>
Fund balance:	
Nonspendable - prepaid expenditures	10,415
Unassigned	<u>2,359,110</u>
Total fund balance	<u>2,369,525</u>
Total liabilities and fund balance	<u>\$ 2,412,737</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet (continued)
Governmental Fund
June 30, 2018

Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position:

Total fund balance for the governmental fund at June, 30 2018		\$2,369,525
Cost of capital assets	\$ 210,819	
Less: Accumulated depreciation	<u>(185,392)</u>	25,427
Deferred outflows of resources related to net pension liability		291,441
Long-term liabilities		
OPEB obligation payable		(1,483,074)
Net pension liability		(1,028,194)
Deferred inflows of resources related to net pension liability		<u>(102,716)</u>
Total net position of governmental activities at June, 30 2018		<u>\$ 72,409</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended June 30, 2018

	<u>General Fund</u>
Revenues:	
Licenses	\$ 40,193
Fees, charges and commissions for services	1,317,749
Intergovernmental	14,949
Miscellaneous	<u>36,294</u>
Total revenues	<u>1,409,185</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	1,074,026
Operating services	177,588
Material and supplies	70,181
Capital outlay	<u>1,361</u>
Total expenditures	<u>1,323,156</u>
Net change in fund balance	86,029
Fund balance, beginning	<u>2,283,496</u>
Fund balance, ending	<u>\$2,369,525</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended June 30, 2018

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Fund to the Statement of Activities:

Total net change in fund balances for the year ended June, 30 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 86,029
Capital outlay costs	1,361	
Less: Depreciation expense	<u>(14,633)</u>	(13,272)
Net change in OPEB obligation		(32,119)
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Increase in pension expense	(32,382)	
Nonemployer pension contribution revenue	<u>72,749</u>	<u>40,367</u>
Total change in net position for the year ended June, 30 2018 per Statement of Activities		<u>\$ 81,005</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Agency Assets and Liabilities
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Restricted assets-	
Cash and interest-bearing deposits	<u>\$ 13,580,569</u>
LIABILITIES	
Due to litigants and others	<u>\$ 13,580,569</u>

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Plaquemines Parish Clerk of Court (Clerk of Court) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 subsection of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, *Audits of State and Local Governments*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. The Clerk of Court is a component unit of the Plaquemines Parish Government. The Clerk of Court is fiscally dependent on the Plaquemines Parish Government since the Clerk of Court's offices are located in the Parish Annex Building, the upkeep and maintenance of the building is paid by the Parish Government and certain operating expenditures of the Clerk of Court's office are paid by the Parish Government.

As an independently elected official, the Clerk of Court is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

B. Basis of Presentation

Government-Wide Financial Statements

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. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Agency Assets and Liabilities at the fund financial statement level.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fund Financial Statements

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

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

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

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

Governmental Fund -

General Fund

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fiduciary Funds -

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

Advance Deposit Fund – 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.

Election Qualifying Fund – accounts for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

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 as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and 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.
- b. The government-wide financial statement utilizes an “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.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities 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 Clerk of Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

Investments

Under state law, the Clerk may deposit funds with a fiscal agent 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 United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates local government investment pool.

Capital Assets

Capital assets, which include property 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 of Court maintains a threshold level of \$500 or more for capitalizing 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.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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 by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
-----------------------------------	------------

Compensated Absences

Vacation is provided to all full-time employees and is earned based on length of service. Employees with one to five years of service earn twenty-two days each year. Employees with over five years of service earn twenty-seven days each year. Employees are allowed to carry a maximum of fifteen days unused vacation per year. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation leave at the employee's current rate of pay.

Equity Classifications

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - consists of net position with constraints placed on their 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.
- c. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund balance for the Clerk of Court's governmental fund (the General Fund) is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) 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.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority, the Clerk of Court.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent established by the Clerk of Court.
- e. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Clerk of Court's General Fund.

E. Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

F. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available indicating the uncollectibility of the receivable.

G. Use of Restricted Funds

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. At June 30, 2018, the Clerk of Court has cash and cash equivalents (book balances) totaling \$15,961,920 as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and interest-bearing deposits	\$ 2,381,351	\$ 13,580,569	\$ 15,961,920

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Under state law, 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2018 are as follows:

Bank balances	\$ 16,091,001
Federal insurance	\$ 750,000
Collateralized by pledged securities	15,341,001
Total federal insurance and pledged securities	\$ 16,091,001

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Clerk of court does not have a policy to monitor or attempt to reduce exposure to custodial credit risk or to limit the allowable deposits or investments. At June 30, 2018, deposits in the amount of \$15,341,001 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution, or pledging institution's trust department or agent, but not in the Clerk of Court's name.

(3) Receivables and Due from Other Governmental Entities

Receivables and amounts due from other governmental entities at June 30, 2018 consist of the following:

	Receivables	Due from Other Governments
Governmental activities:		
Accounts, net of allowance of \$166	\$ 8,453	\$ -
State of Louisiana:		
Department of Children and Family Svcs	-	4,026
Clerk supplemental compensation fund	-	1,800
Plaquemines Parish Government	-	3,153
Plaquemines Parish Sheriff	-	3,539
	\$ 8,453	\$ 12,518

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(4) Capital Assets

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

	Balance <u>7/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2018</u>
Furniture, fixtures, and equipment	\$ 209,458	\$ 1,361	\$ -	\$ 210,819
Less: Accumulated depreciation	<u>(170,759)</u>	<u>(14,633)</u>	<u>-</u>	<u>(185,392)</u>
Net capital assets	<u>\$ 38,699</u>	<u>\$ (13,272)</u>	<u>\$ -</u>	<u>\$ 25,427</u>

Depreciation expense of \$14,633 was charged to the general government function.

(5) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of 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

Substantially all employees of the Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund (hereinafter "Fund"), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 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 following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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 of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with and accrual rate of 3% for all members hired on or after January 31, 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:

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

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

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

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

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

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

Survivor Benefits

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $\frac{1}{4}$ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan.

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

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

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

Cost of Living Adjustments

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

In order to grant any cost-of-living increase, the Fund must meet criteria as detailed in the Louisiana statutes related to funding status.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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.

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19.00%.

Non-employer Contributions

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. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2017, was \$72,749.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the Clerk of Court reported liabilities in its government-wide financial statements of \$1,028,194 for its proportionate share of the net pension liabilities of the fund. The net pension liabilities were measured as of June 30, 2017 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Clerk of Court's proportional share of the fund was 0.679603%, which was a decrease of 0.055959% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk of Court recognized a net pension expense of \$153,545 in its governmental activities.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

At June 30, 2018, the Clerk of Court 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	\$ 31,138	\$ 26,980
Changes of assumptions	44,843	-
Net difference between projected and actual earnings on pension plan investments	14,082	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,215	75,736
Employer contributions subsequent to the measurement date	121,163	-
	\$ 291,441	\$ 102,716

The \$121,163 reported as deferred outflows of resources related to pensions resulting from Clerk of Court 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	
2019	\$ 23,569
2020	71,393
2021	22,906
2022	(50,306)
	\$ 67,562

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Actuarial Assumptions

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

	Louisiana Clerks' of Court Retirement and Relief Fund
Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense, including inflation
Projected Salary Increases	5.00%
Inflation Rate	2.50%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives 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	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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

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

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	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 internation 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	10.00%	3.00%
	<u>100.00%</u>	

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 to total pension liability.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate 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.

	Changes in Discount Rate		
	2017		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	<u>\$ 1,573,506</u>	<u>\$ 1,028,194</u>	<u>\$ 565,243</u>

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2018 were recognized in the current reporting period as pension expense except as follows:

- a. Differences Between Expected and Actual Experience – Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$31,138 and a deferred inflow of resources in the amount of \$26,980 for the year ended June 30, 2018.
- b. Differences between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$14,082 for the year ended June 30, 2018.
- c. Changes of Assumptions or Other Inputs – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$44,843 for the year ended June 30, 2018.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

- d. Change in Proportion – Changes in the employer’s proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows or resources since the prior measurement date were recognized in employer’s pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$80,215 and a deferred inflow of resources in the amount of \$75,736 for the year ended June 30, 2018.

Payables to the Pension Plan:

The Clerk of Court recorded no accrued liabilities related to the Fund for the year ended June 30, 2018.

Retirement Fund Audit Report

The Louisiana Clerks’ of Court Retirement and Relief Fund of Louisiana has issued a standalone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.lila.la.gov.

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

Plan description

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

Benefits provided

The Clerk of Court provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree pre-Medicare health Option 1, Medicare Supplement, dental, and life insurance premiums. For pre-Medicare health Option 2, retirees are required to pay the difference between Option 1 and Option 2 premiums. The plan also provides for payment of 50% of dependent premiums. Vision is voluntary and paid 100% by the retiree.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Employees covered by benefit terms

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

Inactive employees currently receiving benefits payments	6
Active employees	10
Total	16

The Clerk of Court's total OPEB liability of \$1,483,074 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018.

Actuarial assumptions and other inputs.

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

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.62%
Health Care Cost Trend Rates:	
Medical:	Initially 7.5%, decreasing 0.25% per year to an ultimate rate of 5.0%.
Medicare Supplement:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging.
Dental:	Initially 3.5%, decreasing 0.25% per year to an ultimate rate of 3.0%.
Vision:	3.0% per year
Retirees' Share of Benefit-Related Costs:	
Medical:	Option 1 for retirees: 0% Option 2 for retirees: Difference Option 1 and 2 50% for dependents.
Medicare Supplement:	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%

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

The discount rate was based on the June 30, 2018 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

Mortality rates for retirees and surviving spouses were based on the RPH-2014 Healthy Annuitant Mortality Table for males 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 Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 6/30/2017	<u>\$ 1,450,955</u>
Charges for the year:	
Service Cost	31,849
Interest	52,686
Differences between expected and actual experience	2,342
Changes in Assumptions/Inputs	-
Change in Benefit Terms	-
Benefit Payments	(54,758)
Administrative Expense	-
Net Changes	<u>32,119</u>
Balance at 6/30/2018	<u>\$ 1,483,074</u>

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

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

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB Liability	<u>\$ 1,713,381</u>	<u>\$ 1,483,074</u>	<u>\$ 1,295,079</u>

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 1,338,780	\$ 1,483,074	\$ 1,582,735

For the year ended June 30, 2018, the Clerk of Court recognized an OPEB expense of \$84,926. At June 30, 2018, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,952	\$ -
Changes in assumptions or other inputs	-	-
Total	\$ 1,952	\$ -

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	\$ 390
2020	390
2021	390
2022	391
2023	391
	\$ 1,952

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(7) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Year Ended June, 30 2018			Unsettled Deposits at End of Year
	Unsettled Deposits at Beginning of Year	Additions	Reductions	
Agency funds:				
Advance Deposit	\$ 1,732,373	\$ 890,725	\$ 785,996	\$ 1,837,102
Registry of Court	14,484,265	3,870,855	6,611,654	11,743,466
Election Qualifying	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Totals	<u>\$ 16,216,639</u>	<u>\$ 4,761,580</u>	<u>\$ 7,397,650</u>	<u>\$ 13,580,569</u>

Total amount due to litigants and others are payable from the reported restricted assets.

(8) Compensated Absences

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

Compensated absences payable, July, 1 2017	\$ 28,447
Additions	<u>11,832</u>
Compensated absences payable, June, 30 2018	<u>\$ 40,279</u>

In prior years, compensated absences have typically been liquidated by the Clerk of Court's General Fund.

(9) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

The Clerk of Court's contributions to the Plan for the year ended June 30, 2018 was \$103,128.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(10) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. The Clerk of Court has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Clerk of Court is insured up to policy limits for each of the above risks. There were no significant changes in coverage's, retentions, or limits during the year ended June 30, 2018. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(11) Expenditures of the Clerk of Court Paid by the Plaquemines Parish Government

The Clerk of Court's office is located in the Plaquemines Parish Annex building. The Plaquemines Parish Government pays the upkeep and maintenance of the building. In addition, the Parish Government also pays some of the Clerk of Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(12) 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 her 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. At June 30, 2018, there was no amount due the parish treasurer since no amounts were received by the Clerk from the parish during the previous term of office.

(13) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Legislative Session amended R.S. 24:513(A) requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to and on behalf of the Clerk of Court, Kim Turlich-Vaughan, for the year ended June 30, 2018, are as follows:

Annual Salary	\$ 146,909
Car allowance	20,123
Benefits - Insurance	15,315
Benefits - Retirement	40,033
Benefits - Deferred compensation match	12,000
Training	4,545
Conference travel	2,908
Election expense allowance	<u>1,800</u>
Total	<u>\$ 243,633</u>

(14) Net Position Restatement

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

During the year ended June 30, 2018, the Clerk of Court implemented the provisions of Governmental Auditing Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Statement No. 75 requires the restatement of net position as follows:

	<u>Net Position</u>
Beginning balance, before restatement	\$ 1,097,244
Implementation of GASB Statement No. 75	<u>(1,105,840)</u>
Beginning balance, as restated	<u>\$ (8,596)</u>

REQUIRED SUPPLEMENTARY INFORMATION

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 43,000	\$ 40,500	\$ 40,193	\$ (307)
Fees, charges and commissions for services	1,340,600	1,247,070	1,317,749	70,679
Intergovernmental	13,000	15,000	14,949	(51)
Miscellaneous	62,281	40,250	36,294	(3,956)
Total revenues	1,458,881	1,342,820	1,409,185	66,365
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,067,356	1,050,907	1,074,026	(23,119)
Operating services	177,830	186,943	177,588	9,355
Material and supplies	102,700	67,151	70,181	(3,030)
Capital outlay	11,000	3,633	1,361	2,272
Total expenditures	1,358,886	1,308,634	1,323,156	(14,522)
Net change in fund balance	99,995	34,186	86,029	51,843
Fund balance, beginning	2,283,496	2,283,496	2,283,496	-
Fund balance, ending	\$2,383,491	\$2,317,682	\$ 2,369,525	\$ 51,843

See notes to budgetary comparison schedule.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

	2018
Total OPEB Liability	
Service Cost	\$ 31,849
Interest	52,686
Differences between expected and actual experience	2,342
Benefits payments	(54,758)
Net change in total OPEB liability	32,119
Total OPEB liability, beginning	1,450,955
Total OPEB liability, ending	\$ 1,483,074
Covered employee payroll	649,109
Total OPEB Liability as a percentage of covered employee payroll	228.48%

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Employer's Share of Net Pension Liability
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) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.642096%	\$ 866,099	\$ 582,641	148.65%	79.37%
2015	0.691087%	\$ 1,036,652	\$ 625,229	165.80%	78.13%
2016	0.735562%	\$ 1,360,771	\$ 671,379	202.68%	74.17%
2017	0.636932%	\$ 963,636	\$ 613,098	157.17%	79.69%

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Employer Contributions
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
2015	\$ 115,667	\$ 118,794	\$ -	\$ 625,229	19.00%
2016	\$ 127,562	\$ 127,562	\$ -	\$ 671,379	19.00%
2017	\$ 116,489	\$ 116,489	\$ -	\$ 613,098	19.00%
2018	\$ 121,163	\$ 121,163	\$ -	\$ 637,700	19.00%

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk of Court.

(2) Budget Adoption

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

1. A proposed budget is prepared and submitted to the Clerk of Court 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.

(3) Excess of Expenditures over Appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations in the General Fund by \$14,522. These excess expenditures were covered by available fund balance in the fund.

(4) Retirement Systems

1. Changes of benefit terms – There were no changes of benefit terms for the year ended June 30, 2018.
2. Changes of assumptions – There were no changes of assumptions for the year ended June 30, 2018.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Required Supplementary Information (continued)

(5) Other Postemployment Benefits

1. Changes of Benefit Terms- None
2. Changes of Assumptions- Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>Period</u>	<u>Discount Rate</u>
2018	3.62%

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

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 Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Plaquemines Parish Government, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated December 27, 2018. We expressed modified opinions on the financial statements of the Clerk of Court's governmental activities, major fund, and aggregate remaining fund information because the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2018.

Internal Control over Financial Reporting

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

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 Clerk of Court'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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2018-001 and 2018-002, that we consider to be material weaknesses.

Compliance and Other Matters

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

Clerk of Court's Responses to Findings

The Clerk of Court's responses to the findings identified in our audit are described in the accompanying corrective action plan for current audit findings. The Clerk of Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Clerk of Court'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 Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 27, 2018

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings
Year Ended June 30, 2018

Part I. Summary of Auditor's Results

Financial Statements

1. Type of auditor's opinion issued on financial statements:

Opinion Unit	Type of Opinion
Governmental activities	Modified
Major funds:	
General	Modified
Aggregate remaining fund information	Modified

2. Internal control over financial reporting:

Material weakness(es) identified?	<u> x </u>	yes	<u> </u>	no
Significant deficiency(ies) identified?	<u> </u>	yes	<u> x </u>	none reported

3. Noncompliance material to the financial statements?

<u> </u>	yes	<u> x </u>	no
---------------	-----	--------------	----

Other

4. Management letter issued?

<u> </u>	yes	<u> x </u>	no
---------------	-----	--------------	----

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2018

Part II. Findings Reported in accordance with *Governmental Auditing Standards*:

A. Internal Control

2018-001 Segregation of duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: 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. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

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.

YEAR INITIALLY OCCURRING: Unknown

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2018

2018-002 Reconciliation of docket balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund have not been reconciled with the related cash deposits.

CRITERIA: 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. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the condition is the failure to reconcile individual suit docket balances to the related cash deposits.

EFFECT: Failure to reconcile docket balances with the related cash deposits increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

YEAR INITIALLY OCCURRING: Unknown

RECOMMENDATION: We recommend that the Clerk of Court attempt to reconcile the individual suit dockets with the related cash balances.

Part III. Findings and Questioned Costs Reported in Accordance with Uniform Guidance:

The requirements of the Uniform Guidance do not apply to the Clerk of Court.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018

2017-001- Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: N/A

CURRENT STATUS: See schedule of audit results and findings item 2018-001.

2017-002- Reconciliation of Docket Balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.

MANAGEMENT'S RESPONSE: The Clerk of Court continues the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund. These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

CURRENT STATUS: See schedule of audit results and findings item 2018-002.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Corrective Action Plan for Current Audit Findings
Year Ended June 30, 2018

2018-001- Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: N/A

2018-002- Reconciliation of Docket Balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund have not been reconciled with the related cash deposits.

MANAGEMENT'S RESPONSE: The Clerk of Court continues the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund. These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

PLAQUEMINES PARISH CLERK OF COURT

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2017 through June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Honorable Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

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

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 exceptions are as follows:

Written Policies and Procedures

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

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

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

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

Written policies and procedures were obtained and address the functions noted above, with the exception of the preparation and approval process of purchase requisitions and purchase orders. The Clerk of Court's written policies and procedures do not require the use of purchase orders.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Clerk of Court's written policies and procedures do not address debt service; however, the Clerk of Court has no debt outstanding.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent documents.

Not applicable

- 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. *Alternatively, 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.*

Not applicable

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

Not applicable

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 Clerk of Court's main operating account. Select the Clerk of Court's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained 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 and four (4) additional accounts were randomly selected. Obtained and inspected the corresponding bank statements and reconciliations for each account.

- 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);

Observed bank reconciliations for selected accounts noting date of preparation was not evidenced.

- 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

Observed bank reconciliations for selected accounts. Documentation of management approval was not provided for one of the five bank reconciliations tested. Management's review was evidenced for four of the five reconciliations tested, however, the member of management may also be involved in handling cash, posting to ledgers and/or issuing checks.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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. Selected the one (1) deposit site.

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, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

Employees that are responsible for cash collections 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. prenumbered receipts) to the deposit.

Employees who prepare deposits slips also collect cash and are also responsible for reconciling collection documentation to the deposit. Bank deposits are made by someone who does not collect cash.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

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

As per inquiry of management, all employees who have access to cash are not 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" (adapted in #8 above) above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit date 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:

Randomly selected two deposit dates for the selected bank accounts under procedure #3 and obtained supporting documentation for each of the deposits.

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- 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).

Observed that one (1) deposit was made within two (2) business days of receipt.

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

No exceptions noted.

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

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

Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Selected the one (1) location.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase and placing an order/making the purchase.

No exceptions noted.

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

Two employees are involved in processing and approving nonroutine purchases. However, the Clerk of Court is the only individual involved in processing and approving routine purchases.

- 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.

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

No exceptions noted.

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

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

No exceptions noted.

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

According to the Clerk of Court's policies and procedures and discussions with the Clerk of Court, two individuals are involved in initiating a purchase request, approving a purchase and placing an order/making a purchase. However, the Clerk of Court does not utilize a formal purchase order or similar system in which the segregation of duties is documented.

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), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained listing of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and 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:

Selected the Clerk of Court's two (2) credit cards, randomly selected one monthly statement for each, and obtained supporting documentation.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported)]

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Travel and Travel-Related Expense Reimbursement (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:

Obtained listing of travel and travel-related expense reimbursements during the fiscal period, by person, and management's representation that the listing is complete. Randomly selected five (5) reimbursements.

- 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).

No exceptions noted.

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

Not applicable - All five reimbursements tested were for per diem costing using rates established by the U.S. General Services Administration.

- 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).

No exceptions noted.

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

No exceptions noted.

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:

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 and management's representation that the listing is complete. Randomly selected five (5) contracts from the listing.

- 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.

All five (5) contracts selected were for professional services and were not required to be bid in accordance with Louisiana Public Bid 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).

Observed that all five (5) contracts were approved by the Clerk of Court as required by policy.

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

One (1) of the contracts selected for testing was amended, and 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.

Randomly selected one (1) payment from each of the five (5) contracts. Obtained the supporting invoice for each payment noting that the invoice and related payment agreed to the contract terms and conditions.

Payroll and Personnel

Note: Procedure excluded from testing procedures in the current year—Per the Louisiana Legislative Auditor’s Statewide Agreed Upon Procedures Year 2: “Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories from testing in Year 2.”

- 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 Clerk of Court’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’ cumulate 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.

Ethics

Note: Procedure excluded from testing procedures in the current year—Per the Louisiana Legislative Auditor’s Statewide Agreed Upon Procedures Year 2: “Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories from testing in Year 2.”

- 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 Clerk of Court's ethics policy during the fiscal period.

Debt Service (excluding nonprofits)

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.

Obtained management's representation that no bonds/notes were issued during the fiscal period.

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

Obtained management's representation that no bonds/notes were outstanding at the end of the fiscal period.

Other

Note: Procedure excluded from testing procedures in the current year—Per the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures Year 2: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories from testing in Year 2."

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 Clerk of Court reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Clerk of Court is domiciled.
24. Observe that the Clerk of Court 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.

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*. 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 control and compliance 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for use by the Clerk of Court's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

MANAGEMENT'S RESPONSES TO EXCEPTIONS

APPENDIX A



Kim Türlich-Vaughan

Clerk of Court & Ex-Officio Recorder
Twenty-Fifth Judicial District
Parish of Plaquemines

(504) 934-6610
Fax (504) 934-6629
www.clerk25th.com

301 Main Street
P.O. Box 40
Belle Chasse, LA 70037

CAROL A. ROBERTS
Chief Deputy Clerk

November 21, 2018

Kolder, Slaven & Company, LLC
1234 David Drive Ste 203
Morgan City, LA 70380

RE: Agreed Upon Procedures

Dear Gerald,

I have read the Statewide Agreed Upon Procedures Report and the summary of exceptions. Here are my responses to exceptions noted.

Policies and Procedures

AUP-100-01 Given the relatively small size of the Clerk's office, the initiation and processing of purchase requisitions and/or purchase orders would be inefficient and not effective. Written policies and procedures conclude that all disbursements are to be supervised by a member of management.

AUP-100-02 The Plaquemines Parish Clerk of Clerk does not maintain any debt, nor are there any plans to incur debt in the near future. The Clerk's office is able to operate on working capital.

Bank Reconciliations

AUP-300-01 In the future, bank reconciliations will be initialed and dated by preparer.

AUP-300-02 In the future, management will document review of bank reconciliations.

AUP-300-03 Exception due to relatively small size of entity and limited members of management. In some cases, management prepares and/or reviews bank reconciliations. However, the same member of management may also collect cash, post to ledger and/or issue checks.

Cash Collections

AUP-400-01 Daily Receipts Journal Reports will evidence documentation of review of totals to deposit slip by Clerk or another individual who did not collect cash.

AUP-400-02 Although the cash drawer at the front desk is shared, it is used only to break down larger denominations so that exact cash can be collected by staff. The transaction listing identifies the individual who collected the cash.

AUP-400-03 Available insurance coverage will be researched related to employee theft coverage.

AUP-400-04 In the future, cash collected will be deposited within one business day.

Disbursements

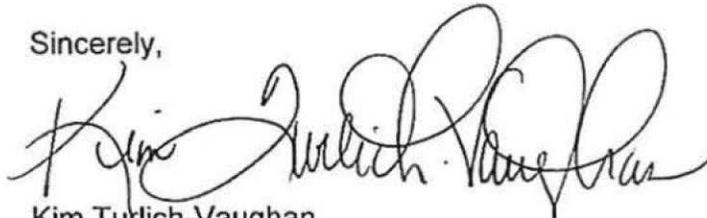
AUP-500-01 Given the relatively small size of the Clerk's office, the Clerk may process and approve payments to vendors for routine transactions without the involvement of another employee.

AUP-500-02 Given the relatively small size of the Clerk's office, the initiation and processing of purchase requisitions and/or purchase orders would be inefficient and not effective. Written policies and procedures conclude that all disbursements are supervised by the Clerk and Chief Deputy; however, these functions are performed verbally.

AUP-500-03 Vendor listing will be periodically reviewed for any additions/modifications.

Please let me know if you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Turlich-Vaughan". The signature is fluid and cursive, with a large initial "K" and "V".

Kim Turlich-Vaughan
Clerk of Court