

**UNION PARISH CLERK OF COURT
Farmerville, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2015
With Supplemental Information Schedules**

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Annual Financial Statements
With Independent Auditor's Report
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Independent Auditor's Report

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Union Parish Clerk of Court, a component unit of the Union Parish Police Jury, as of June 30, 2015, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 Union Parish 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 Union Parish Clerk of Court's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Independent Auditor's Report,
June 30, 2015

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Union Parish Clerk of Court as of June 30, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, the budgetary comparison information on pages 36 through 37, the schedule of funding progress for the retiree healthcare plan on page 38, and the schedule of the Clerks' proportionate share of the net pension liability on pages 39 through 40, 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. I 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 managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish Clerk of Court's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Independent Auditor's Report,
June 30, 2015

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated December 7, 2015, on my consideration of the Union Parish Clerk of Court's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union Parish Clerk of Court's internal control over financial reporting and compliance.



West Monroe, Louisiana
December 7, 2015

REQUIRED SUPPLEMENTARY INFORMATION
PART I

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Management's Discussion and Analysis
June 30, 2015

As management of the Union Parish Clerk of Court, I offer readers of the Union Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Union Parish Clerk of Court for the fiscal year ended June 30, 2015. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Union Parish Clerk of Court's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Union Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Union Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Union Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Union Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Union Parish Clerk of Court's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Union Parish Clerk of Court exceeded assets by \$196,994. Assets of the Union Parish Clerk of Court exceed Net Position due to the Net OPEB and Net Pension Liabilities. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Union Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation.

STATEMENT OF NET POSITION

	2015	2014
ASSETS		
Cash and cash equivalents	\$765,678	\$1,014,542
Receivables	26,978	45,288
Prepaid expenses	2,709	6,877
Due from other funds	48,313	33,939
Capital assets (net of accumulated depreciation)	10,833	28,756
TOTAL ASSETS	\$854,511	\$1,129,402
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	\$51,741	
LIABILITIES		
Accounts payable	7,915	\$1,443
Withholdings payable		1,388
Net pension liability	713,896	
Net OPEB obligation	229,084	171,883
TOTAL LIABILITIES	950,895	174,714
DEFERRED INFLOWS OF RESOURCES		
Pension related	152,351	
NET POSITION		
Invested in capital assets, net of related debt	10,833	28,756
Unrestricted	(207,827)	925,932
TOTAL NET POSITION	(\$196,994)	\$954,688
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$906,252	

STATEMENT OF ACTIVITIES

	2015	2014
Judicial:		
Personal services	\$833,092	\$794,709
Operating services	168,455	109,623
Materials and supplies	34,304	60,030
Travel	63,796	37,250
Depreciation expense	17,923	28,555
Total Program Expenses	1,117,570	1,030,167
Program revenues:		
License and permits - marriage	3,935	2,649
Clerk's supplemental compensation	21,550	21,000
Court cost, fees, and charges	704,394	719,355
Charges for copies	42,463	43,141
Other revenues	54,782	2,688
Total program revenues	827,124	788,833
Net Program Expenses	(290,446)	(241,334)
General revenues -		
Interest earned	1,707	2,988
Change in Net Position	(288,739)	(238,346)
Net Position - Beginning of year - as restated	91,745	1,193,034
Net Position - End of year	(\$196,994)	\$954,688

Financial Analysis of the Government's Funds

As noted earlier, the Union Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund's unreserved, unassigned fund balance of \$835,763 shows a decrease (of approximately \$262,052) from the prior year amount.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily to an increase in operating services; and a decrease in personal services. Differences between revenues of the original budget and the final budget were due primarily to a decrease in anticipated revenues for court costs, fees, commissions and charges for copies, and use of money and property.

Capital Asset and Debt Administration

Capital assets. The Union Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$17,923 (net of accumulated depreciation). This investment includes furniture and equipment. There were no increases or decreases for the year.

Long-term debt. The Union Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2015 is \$229,084. Net pension obligation associated with the Pension Plan at June 30, 2015 is \$713,896.

Requests for Information

This financial report is designed to provide a general overview of the Union Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Union Parish Clerk of Court, P.O. Box 487, Farmerville, LA 71241.

December 7, 2015

BASIC FINANCIAL STATEMENTS

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

STATEMENT OF NET POSITION
June 30, 2015

ASSETS

Cash and cash equivalents	\$765,678
Receivables	26,978
Prepaid assets	2,709
Due from other funds	48,313
Capital assets (net of accumulated depreciation)	<u>10,833</u>
TOTAL ASSETS	\$854,511

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>51,741</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$906,252</u>

LIABILITIES

Accounts payable	\$7,915
Net pension liability	713,896
Net OPEB obligation	<u>229,084</u>
TOTAL LIABILITIES	<u>950,895</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>152,351</u>
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NET POSITION

Invested in capital assets, net of related debt	10,833
Unrestricted	<u>(207,827)</u>
TOTAL NET POSITION	(\$196,994)

TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

\$906,252

The accompanying notes are an integral part of this statement.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2015

Judicial:	
Personal services	\$833,092
Operating services	168,455
Materials and supplies	34,304
Travel	63,796
Depreciation expense	17,923
Total Program Expenses	<u>1,117,570</u>
Program revenues:	
License and permits - marriage	3,935
Clerk's supplemental compensation	21,550
Court cost, fees, and charges	704,394
Charges for copies	42,463
Other revenues	54,782
Total program revenues	<u>827,124</u>
Net Program Expenses	<u>(290,446)</u>
General revenues -	
Interest earned	<u>1,707</u>
Change in Net Position	(288,739)
Net Position - Beginning of year - as restated	<u>91,745</u>
Net Position - End of year	<u><u>(\$196,994)</u></u>

The accompanying notes are an integral part of this statement.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2015

ASSETS

Cash and cash equivalents	\$765,678
Receivables	26,978
Prepaid assets	2,709
Due from Other Funds	<u>48,313</u>
TOTAL ASSETS	<u><u>\$843,678</u></u>

LIABILITIES AND FUND EQUITY

Liabilities -	
Accounts payable	<u>\$7,915</u>
Total Liabilities	7,915
Fund Equity - fund balances - unassigned	<u>835,763</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$843,678</u></u>

The accompanying notes are an integral part of this statement.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2015

Total Fund Balances at June 30, 2015 - Governmental Funds (Statement C)		<u>\$835,763</u>
Deferred outflows of resources		51,741
Cost of capital assets at June 30, 2015	\$324,899	
Less: Accumulated depreciation	<u>(314,066)</u>	10,833
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(713,896)
Net OPEB		(229,084)
Deferred inflows of resources		<u>(152,351)</u>
Net Position at June 30, 2015		<u><u>(\$196,994)</u></u>

The accompanying notes are an integral part of this statement.

Statement D

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2015

REVENUES

Licenses and permits - marriage	\$3,935
Intergovernmental revenues - state grants-	
Clerk's supplemental compensation	21,550
Fees, charges, and commissions for services:	
Court costs, fees, and charges	704,394
Charges for copies	42,463
Use of money and property	1,707
Other revenues	4,524
Total revenues	<u>778,573</u>

EXPENDITURES

Current:

General government - judicial:

Personal services	774,070
Operating services	168,455
Materials and supplies	34,304
Travel and other charges	63,796
Total expenditures	<u>1,040,625</u>

EXCESS (Deficiency) OF REVENUES**OVER EXPENDITURES**

(262,052)

FUND BALANCES AT BEGINNING OF YEAR

1,097,815

FUND BALANCES AT END OF YEAR

\$835,763

The accompanying notes are an integral part of this statement.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2015

Total net change in fund balances - governmental funds (Statement D)	(\$262,052)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(17,923)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(57,201)
Non-employer contributions to cost-sharing pension plan	50,258
Pension expense	<u>(1,821)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$288,739)</u></u>

The accompanying notes are an integral part of this statement.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2015

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>NON SUPPORT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$616,820	\$300,838	\$1,383	\$919,041
Accounts receivable			2,640	2,640
Accounts receivable	287	5,970		6,257
TOTAL ASSETS	<u>\$617,107</u>	<u>\$306,808</u>	<u>4,023</u>	<u>927,938</u>
LIABILITIES				
Due to:				
General Fund	\$46,007		\$2,306	\$48,313
Other funds	6,257			6,257
Accounts payable			334	334
Others	564,843	\$306,808	1,383	873,034
TOTAL LIABILITIES	<u>\$617,107</u>	<u>\$306,808</u>	<u>\$4,023</u>	<u>\$927,938</u>

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements of the Union Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Union Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Union Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The clerk of court's basic financial statements include both government-wide (reporting the clerk of court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the clerk, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net Position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The clerk first uses restricted resources to finance qualifying activities. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

Allocation of Indirect Expenses - The clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

Governmental Fund Type

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's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Notes to the Financial Statements (Continued)

Fiduciary Fund Type - Agency Funds

The Advance Deposit and Registry of Court agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

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

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Notes to the Financial Statements (Continued)

available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2015, the clerk of court has cash and cash equivalents (book balances) totaling \$1,684,719.

Demand deposits	\$804,023
Time deposits	880,596
Petty cash	100
Total	<u>\$1,684,719</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times be secured as follows:

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Notes to the Financial Statements (Continued)

Bank Balances	<u>\$1,700,954</u>
Federal deposit insurance	\$1,199,160
Pledged securities (uncollateralized)	<u>1,221,255</u>
Total	<u>\$2,420,415</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk has no threshold level for capitalizing capital assets, all assets are capitalized. Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

Employees of the clerk of court's office receive 5 to 20 days of non-cumulative vacation leave each year, depending on the length of service. Employees earn from 8 to 12 hours of sick leave per month, depending on length of service. Sick leave may be accumulated to a maximum of 120 days, however, no compensation is paid for such accumulated leave upon termination.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Notes to the Financial Statements (Continued)

H. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering her automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2015.

I. PENSION PLANS

The Union Parish Clerk's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 3. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

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

The Union Parish Clerk of Courts' Office adopted Government Accounting Standards Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2014, as previously stated	954,688
Net Pension Liability at June 30, 2014	(862,943)
Total Net Position, June 30, 2014, Restated	<u>\$91,745</u>

2. RECEIVABLES

Receivables of \$29,618 at June 30, 2015, are as follows:

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

<u>Class of receivables:</u>	GENERAL	AGENCY	
Fees, charges, and commissions for services:	FUND	FUND	TOTAL
Court attendance	\$8,146		\$8,146
Criminal fees	2,451		2,451
Non-support		\$2,640	2,640
Other	16,381		16,381
Total	<u>\$26,978</u>	<u>\$2,640</u>	<u>\$29,618</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 2014	\$324,899
Additions	NONE
Deletions	<u>NONE</u>
Balance, June 30, 2015	324,899
Less accumulated depreciation	<u>(314,066)</u>
Net Capital Assets	<u>\$10,833</u>

4. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER

The Louisiana Clerks' of Court Retirement Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1501 to provide retirement, disability and survivor benefits to clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees.

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

Summary of Significant Accounting Policies.

The Louisiana Clerks' of Court Retirement and Relief Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Louisiana Clerks' of Court Retirement and Relief Fund employer schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2014.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description.

The Louisiana Clerks' of Court Retirement and Relief Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, The Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability 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.

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 (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

Plan 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 $3\frac{1}{3}$ percent of the members 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 age to 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

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

According to the state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 20, 2015, the actual employer contribution rate was 19.0%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance any unfunded accrued liability. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

At June 30, 2015, the Clerk reported a liability of \$699,795 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerks' proportion of the net pension liability was based on a projection of the Clerks' long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks', actuarially determined. At June 30, 2014, the Clerks' proportion was .5188 percent, which was an increase of .364 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Clerk recognized pension expense of \$92,796. At June 30, 2015, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$11,824
Changes of assumptions	\$51,741	
Net difference between projected and actual earnings on pension plan investments		130,347
Changes in proportion and differences between Clerk contributions and proportionate share of contributions		4,803
Clerk contributions subsequent to the measurement date		5,377
Total	\$51,741	\$152,351

\$5,377 reported as deferred outflows of resources related to pensions resulting from the Clerks' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(\$29,959)
2017	(29,959)
2018	(29,959)
2019	(29,959)
2020	(29,959)
Thereafter	(119,836)

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	5.75% (2.75% Inflation 3% merit)
Investment rate of return	7.25%, net of investment expense

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females as appropriate, with adjustments for mortality improvements.

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

The morality rate assumptions were set after reviewing an experience study performed over the period July 1, 2004 through June 30, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality.

The discounted rate used to measure the total pension liability was 7.25%. 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.

The long-term expected rate of return on pension plan investments was determined using a building block method.

Sensitivity of the Clerks' proportionate share of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.7%, 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, or one percentage point higher than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Clerks' proportionate share of the net pension liability	\$206,720,582	\$134,886,176	\$73,798,479

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Union Parish Clerk of Court medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Louisiana Clerks' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 25 years of service at any age; or, attainment of age 55 and completion of 12 years of service. Based on historical experience, most employees wait until 25 years of service or until age 60 to enter D.R.O.P. Complete plan provisions are included in the official plan documents.

Dental insurance coverage is provided to retirees. The employer pays 50% of the cost of the dental insurance for the retirees and dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at retirement. The retiree pays 50% of the cost of the retiree life insurance, but the cost is based on blended active/retired rates. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2009, the Union Parish Clerk of Court recognized the cost of providing post-employment medical and life benefits (Union Parish Clerk of Court's portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2015 and 2014, Union Parish Clerk of Court's portion of health care and life insurance funding cost for retired employees totaled \$18,437 and \$17,072, respectively.

Effective with the Fiscal Year beginning July 1, 2009, Union Parish Clerk of Court implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution. Union Parish Clerk of Court's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2015</u>
Normal Cost	\$46,150
30-year UAL amortization amount	32,553
Annual required contribution (ARC)	<u>\$78,703</u>

Net Post-employment Benefit Obligation OPEB (Asset). The table below shows Union Parish Clerk of Court's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for the fiscal years ending June 30, 2015:

	<u>2015</u>	<u>2014</u>
Beginning Net OPEB Obligation	\$171,883	\$115,335
Annual required contribution	78,703	75,676
Interest on net OPEB obligation	6,875	4,613

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
Notes to the Financial Statements (Continued)

ARC Adjustment	(\$9,940)	(\$6,670)
Annual OPEB cost (expense)	75,638	73,619
Contributions made	(18,437)	(17,071)
Increase in net OPEB obligation	57,201	56,548
Net OPEB obligation at end of year	<u>\$229,084</u>	<u>\$171,883</u>

The following table shows the Union Parish Clerk of Court's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2015	\$75,638	24.37%	\$229,084
June 30, 2014	\$73,619	23.19%	\$171,883

Funded Status and Funding Progress. In 2015 and 2014, Union Parish Clerk of Court made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2015 was \$585,414 which is defined as that portion, as determined by a particular actuarial cost method (the Union Parish Clerk of court uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$585,414
Actuarial Value of Plan Assets (AVP)	NONE
Unfunded Act. Accrued Liability (UAAL)	\$585,414
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$496,670
UAAL as a percentage of covered payroll	117.87%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Union Parish Clerk of Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Union Parish Clerk of Court and its plan

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Union Parish Clerk of Court and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets. There are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50 will be used.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 4.5%.

Post employment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence three years after they have been assumed to enter the D.R.O.P., as described under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate). GASB Codification Section P50 state that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficient conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 50%

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

of the cost of the medical, dental and life insurance for the retirees and dependents. Since blended rates (active and retired prior to Medicare eligibility) were provided, unblended rates applicable before Medicare eligibility were estimated and were used pursuant to GASB Codification Section P50's mandate. It was estimated that the pre-Medicare retiree rates were 130% of the blended rate. The unblended rates provided for post-Medicare eligibility were used.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances deposits due others follows:

	Advance Deposit Fund	Registry of Court Fund	Non Support Fund	Total
Balance, July 1, 2014	\$508,460	\$333,376	\$1,383	\$843,219
Additions	385,139	1,108,936	23,364	1,517,439
Deletions	(328,756)	(1,135,504)	(23,364)	(1,487,624)
Balance June 30, 2015	<u>\$564,843</u>	<u>\$306,808</u>	<u>\$1,383</u>	<u>\$873,034</u>

7. LITIGATION AND CLAIMS

The Union Parish Clerk of Court is not involved in any litigation at June 30, 2015, nor is she aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
License and permits-marriage	\$2,400	\$3,935	\$3,935	
Intergovernmental revenues-state grants- Clerk's supplemental compensation	21,000	21,550	21,550	
Fees, charges, and commissions for services:				
Court costs, fees, and charges	713,725	702,876	704,394	\$1,518
Charges for copies	26,000	22,683	42,463	19,780
Use of money and property	3,000	766	1,707	
Other revenue	3,000	5,227	4,524	(703)
Total revenues	<u>769,125</u>	<u>757,037</u>	<u>778,573</u>	<u>20,595</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and related benefits	738,074	726,209	774,070	(47,861)
Operating services	115,650	164,565	168,455	(3,890)
Materials and supplies	59,000	59,392	34,304	25,088
Travel and other charges	36,334	36,706	63,796	(27,090)
Capital Outlay	5,000	5,000		5,000
Total expenditures	<u>954,058</u>	<u>991,872</u>	<u>1,040,625</u>	<u>(48,753)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(184,933)	(234,835)	(262,052)	(27,217)
FUND BALANCE AT BEGINNING OF YEAR	900,000	1,097,815	1,097,815	NONE
FUND BALANCE AT END OF YEAR	<u>\$715,067</u>	<u>\$862,980</u>	<u>\$835,763</u>	<u>(\$27,217)</u>

See accompanying note to budgetary comparison schedule.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Union Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

Schedule 2

Union Parish Clerk of Court
Retiree Healthcare Plan
June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$365,653	\$365,653	0.00%	\$430,954	84.85%
June 30, 2012	\$0	\$541,248	\$541,248	0.00%	\$469,668	115.24%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2010, only two valuations are available. Additional information will be added after the next valuation. Subsequent to that, information will be presented for the latest three valuations.

Union Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
June 30, 2015

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.518840%	\$699,795	\$488,398	143.28%	79.34%

Note: - The amounts presented have a measurement date of the previous fiscal year end.

Union Parish Clerk of Court
Schedule of Employer Contributions
June 30, 2015

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$92,796	\$92,796	\$0	\$488,398	19.00%

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

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2015

DODI EUBANKS, CLERK OF COURT

PURPOSE	AMOUNT
Salary	\$103,881
Expense Allowance	12,546
Supplemental Compensation	21,600
Election expense	1,800
Benefits-insurance	12,224
Benefits-retirement	37,299
Benefits-deferred compensation	3,000
Benefits-Medicare	1,920
Vehicle Provided by Government (W-2)	200
Car Allowance	19,002
Per Diem	890
Travel - mileage	429
Registration fees	400
Housing and lodging	1,805
Membership dues-Clerk's Association	2,709
Total	<u>\$219,705</u>

OTHER SUPPLEMENTARY INFORMATION

PART III

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2015

FIDUCIARY FUND TYPE - AGENCY FUNDS

ADVANCE DEPOSIT FUND

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

REGISTRY OF COURT FUND

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

NON SUPPORT FUND

The Non Support Fund accounts for the collection and distribution of child support obligations and the assessment and remittance of a five per cent fee on the child support payments.

UNION PARISH CLERK OF COURT
Farmerville, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 2015

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	NON SUPPORT FUND	TOTAL
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	<u>\$508,460</u>	<u>\$333,376</u>	<u>\$1,383</u>	<u>\$843,219</u>
ADDITIONS				
State Funds			23,364	23,364
Suits and successions		1,108,884		1,108,884
Advance deposits	385,109			385,109
Interest earned on investments	30	52		82
Total additions	<u>385,139</u>	<u>1,108,936</u>	<u>23,364</u>	<u>1,517,439</u>
Total	<u>893,599</u>	<u>1,442,312</u>	<u>24,747</u>	<u>2,360,658</u>
REDUCTIONS				
Clerk's costs to General Fund	195,879	7,576	20,441	223,896
Attorney, curators, keepers, etc.	8,450	850		9,300
Sheriff's fees	27,357	32,900	2,923	63,180
State treasurer	17,568			17,568
Judicial fund	7,806			7,806
Refunds	42,313	1,093,772		1,136,085
Other reductions	29,383	406		29,789
Total reductions	<u>328,756</u>	<u>1,135,504</u>	<u>23,364</u>	<u>1,487,624</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u>\$564,843</u>	<u>\$306,808</u>	<u>\$1,383</u>	<u>\$873,034</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**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 *Government Auditing Standards***

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Union Parish Clerk of Court, a component unit of the Union Parish Police Jury, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Union Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 7, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exist 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

UNION PARISH CLERK OF COURT

Farmerville, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2015

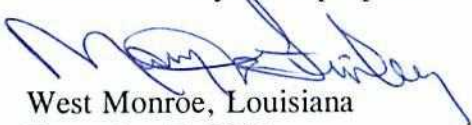
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union Parish Clerk of Court's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Union Parish 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 Union Parish Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana

December 7, 2015

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Union Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of the Union Parish Clerk of Court were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

UNION PARISH CLERK OF COURT
Farmerville, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2015

There were no findings reported in the audit report for the year ended June 30, 2014.