

LAFAYETTE PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2015

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INDEPENDENT AUDITORS' REPORT

The Honorable Louis J. Perret
Lafayette Parish Clerk of Court
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court (Clerk of Court) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Lafayette Parish 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court as of June 30, 2015, 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 discussed in Note 16 to the basic financial statements, the Clerk of Court has a prior period adjustment. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 42 and the schedules of funding progress, employer's share of net pension liability, and employer contributions on pages 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Clerk of Court's basic financial statements. The comparative and combining statements and schedules included on pages 47 through 58 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative and combining statements and the combined schedule of interest-bearing deposits on pages 47, 49 and 56 through 58 are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative and combining statements and the combined schedule of interest-bearing deposits are fairly stated in all material respects, in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the Lafayette Parish Clerk of Court's 2014 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules on pages 50 through 54 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2015 on our consideration of the Lafayette Parish 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 *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 13, 2015

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Net Position
June 30, 2015

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 9,275,135
Accounts receivable	327,591
Insurance stop loss receivable	278,227
Due from other governmental units	34,518
Accrued interest	505
Prepaid expenditures	53,795
Inventory	<u>6,937</u>
Total current assets	9,976,708
Noncurrent assets:	
Capital assets, net	<u>400,924</u>
Total assets	<u>10,377,632</u>
Deferred outflows of resources	<u>1,482,568</u>
LIABILITIES	
Current liabilities:	
Accounts and other payables	350,610
Due to other governmental agencies	<u>8,999</u>
Total current liabilities	<u>359,609</u>
Noncurrent liabilities:	
Compensated absences	914,556
Net OPEB obligation	5,810,576
Net pension liability	<u>6,407,733</u>
Total noncurrent liabilities	<u>13,132,865</u>
Total liabilities	<u>13,492,474</u>
Deferred inflows of resources	<u>1,649,839</u>
NET POSITION	
Net investment in capital assets	400,924
Unrestricted	<u>(3,683,037)</u>
Total net position	<u>\$ (3,282,113)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Balance Sheet - Governmental Fund
June 30, 2015

	<u>General Fund</u>
ASSETS	
Cash	\$ 4,948
Interest-bearing deposits	9,270,187
Receivables:	
Accounts receivable	327,591
Insurance stop loss receivable	278,227
Due from other governmental agencies	34,518
Accrued interest	505
Prepaid expenditures	53,795
Inventory	<u>6,937</u>
 Total assets	 <u>\$ 9,976,708</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Cash overdraft	\$ 34,414
Accounts payable	120,058
Claims payable	52,101
Payroll liabilities payable	138,884
Due to other governmental agencies	<u>8,999</u>
Total liabilities	<u>354,456</u>
 Fund balance:	
Nonspendable (prepaid expenditures and inventory)	60,732
Unassigned	<u>9,561,520</u>
Total fund balance	<u>9,622,252</u>
 Total liabilities and fund balance	 <u>\$ 9,976,708</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balance for the governmental fund at June 30, 2015		\$ 9,622,252
Cost of capital assets at June 30, 2015	\$2,683,186	
Less: Accumulated depreciation	<u>(2,282,262)</u>	400,924
The deferred outflows of contributions for the clerk employees' retirement system are not available resources, and therefore, are not reported in the funds		1,482,568
Noncurrent liabilities at June 30, 2015:		
Compensated absences payable	(914,556)	
Net OPEB obligation payable	(5,810,576)	
Net pension payable	<u>(6,407,733)</u>	(13,132,865)
The deferred inflows of contributions for the clerk employees' retirement system are not payable from current expendable resources and, therefore, are not reported in the funds		(1,649,839)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund		
Claims payable		<u>(5,153)</u>
Total net position of governmental activities at June 30, 2015		<u>\$ (3,282,113)</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2015

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 379,463
Fees, charges and commissions -	
Court costs, fees and charges	320,326
Fees for recording legal documents	6,770,465
Fees for certified copies	800,416
Intergovernmental	479,151
Miscellaneous	435,700
Total revenues	9,185,521
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	7,499,790
Operating services	848,181
Material and supplies	974,439
Appropriations to Lafayette Parish Government	342,868
Capital outlay	19,316
Total expenditures	9,684,594
Deficiency of revenues over expenditures	(499,073)
Fund balance, beginning of year	10,121,325
Fund balance, end of year	\$ 9,622,252

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2015

Total net change in fund balance for the year ended June 30, 2015 per the statement of revenues, expenditures and changes in fund balance		\$ (499,073)
Add: Capital outlay costs which are considered as expenditures on the statement of revenues, expenditures, and changes in fund balance	\$ 19,316	
Less: Loss on disposals for year ended June 30, 2015	(11,578)	
Less: Depreciation expense for year ended June 30, 2015	<u>(127,136)</u>	(119,398)
Differences between amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements.		
Claims payable	700	
Compensated absences payable	(59,177)	
OPEB obligation payable	<u>(399,766)</u>	<u>(458,243)</u>
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure		(50,532)
Nonemployer's contributions to the clerk employees pension plan		460,189
Total change in net position for the year ended June 30, 2015 per statement of activities		<u>\$ (667,057)</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Fiduciary Assets and Liabilities
June 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 608,800
Interest-bearing deposits	<u>11,314,007</u>
Total assets	<u>\$ 11,922,807</u>
LIABILITIES	
Due to litigants and others	<u>\$ 11,922,807</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

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

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 Governmental Units*.

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. As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic 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 (FFS)

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, each displayed in a separate column. 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 expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise 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'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.

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:

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities reflects the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include fees and charges paid by the recipients for goods or services offered by the programs.

Inventory

Inventory in the Clerk of Court's General Fund consists of copies of historical books produced and published by the Clerk of Court for sale to the general public. The books are recorded at cost, which is lower than market at June 30, 2015.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 25 days of vacation leave each year depending on length of service. In addition, employees earn 12 days of personal leave each year. Vacation leave must be used in the year earned. Upon resignation or retirement, employees are paid for unused vacation leave at the employee's current rate of pay. Personal leave may be accumulated to a maximum of 90 days and carried over to succeeding years. Employees are paid for unused personal leave upon termination or retirement.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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 net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the other two components and is available for general use by the Clerk of Court.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

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

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2015, there was no amount due to the parish treasurer even though the General Fund's fund balance at June 30, 2015 exceeded one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office because the Lafayette Parish Clerk of Court did not receive any funds from the parish treasurer in accordance with R.S. 13:784(A) during the current term of office.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character and Function

F. Budgetary and Budgetary Accounting

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.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments, except for capital outlay, were not material in relation to the original appropriations.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2015.

(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. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of 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 interest-bearing deposits (book balances) totaling \$21,197,942 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash	\$ 4,948	\$ 608,800	\$ 613,748
Time and money market deposits	9,270,187	11,314,007	20,584,194
Total	\$ 9,275,135	\$ 11,922,807	\$ 21,197,942

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 will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. 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 fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2015, and the related federal insurance and pledged securities:

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

Bank balances	<u>\$21,879,237</u>
Federal insurance	\$ 5,565,235
Pledged securities	<u>16,314,002</u>
Total federal insurance and pledged securities	<u>\$21,879,237</u>

Deposits in the amount of \$16,314,002 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in Clerk of Court's name (considered to be Category 3 deposits). The Clerk of Court does not have a formal written policy for custodial credit risk.

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2015 consisted of the following:

General Fund:

Amount due from State of Louisiana - Non-support program	<u>\$ 34,518</u>
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(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2015 is as follows:

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
Furniture, fixtures and equipment	\$3,353,675	\$ 19,316	\$ 689,805	\$2,683,186
Less: Accumulated depreciation	<u>2,833,353</u>	<u>127,136</u>	<u>678,227</u>	<u>2,282,262</u>
Net capital assets	<u>\$ 520,322</u>	<u>\$ (107,820)</u>	<u>\$ 11,578</u>	<u>\$ 400,924</u>

Depreciation expense of \$127,136 was charged to the general government function.

(5) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2015:

	<u>Governmental Activities</u>
Cash overdraft	\$ 34,414
Accounts	120,058
Claims payable	57,254
Payroll liabilities	<u>138,884</u>
Total	<u>\$ 350,610</u>

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Notes to the Basic Financial Statements (Continued)

Excess funds on deposit for the risk management program are held in an interest bearing account and transferred to the operating account as checks clear the bank. Cash overdrafts of \$34,414, consisted of outstanding checks in the risk management program operating account.

(6) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Clerk of Court for the year ended June 30, 2015:

	<u>Balance</u> <u>7/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2015</u>
Compensated absences	\$ 855,379	\$ 477,433	\$ 418,256	\$ 914,556
OPEB obligation	5,410,810	852,112	452,346	5,810,576
Pension liability	<u>6,984,661</u>	<u>1,533,100</u>	<u>2,110,028</u>	<u>6,407,733</u>
Total	<u>\$13,250,850</u>	<u>\$ 2,862,645</u>	<u>\$ 2,980,630</u>	<u>\$13,132,865</u>

(7) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. 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 (System), 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. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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Notes to the Basic Financial Statements (Continued)

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

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 $3 \frac{1}{3}$ 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 an accrual rate of 3% for all members hired on or after January 1, 2011.

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

Disability Benefits:

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

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

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Notes to the Basic 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:

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

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

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

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

Survivor Benefits:

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

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Notes to the Basic 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. During the year ended June 30, 2007 participants had to have been an active contributing member for one full year before becoming eligible for DROP. 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. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments:

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

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2014, the actual employer contribution rate was 18.50%. For the year ended June 30, 2014, the actuarially determined employer contribution rate was 18.43%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

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.

Schedule of Employer Allocations:

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required employer contributions are used to determine the proportionate relationship of each employer to all employers of Louisiana Clerks' of Court Retirement and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year. The employers' projected contribution effort was actuarially determined by the Lund's actuary, G.S. Curran & Company.

The employers' projected contribution effort was calculated by multiplying the projected future compensation of active members in the Fund on June 30, 2014 by the next fiscal year's employers' actuarially required contribution rate. Projected future compensation was calculated by multiplying compensation by a payroll factor of 1.024. Compensation was determined as follows:

- a. Actual earned compensation for active members enrolled in the Fund the entire fiscal year, plus;
- b. Annualized compensation for active members on June 30, 2014 enrolled in the Fund for a portion of the fiscal year. Annualized compensation was calculated using actual compensation and the employee's date of hire.

The payroll factor was actuarially determined using salary assumptions for expected net changes in active members plus expected new hires and their payroll over the next fiscal year.

The next fiscal year's employers' actuarially required contribution rate is 17.30%.

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Notes to the Basic Financial Statements (Continued)

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 \$6,407,733 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 Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Clerk's proportion was 4.750474%, which was an increase of .054397% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Clerk recognized pension expense of \$879,484 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$7,003. At June 30, 2015, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 129,922
Change of assumptions	568,522	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	85,094	28,010
Net differences between projected and actual earnings on plan investments	-	1,491,907
Contributions subsequent to the measurement date	828,952	-
Total	\$ 1,482,568	\$ 1,649,839

Deferred outflows of resources of \$828,952 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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	\$ 198,219
2017	198,219
2018	198,219
2019	198,220
	\$ 792,877

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Notes to the Basic Financial Statements (Continued)

Schedule of Pension Amounts by Employer:

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

Actuarial Methods and Assumptions:

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

Inflation	2.75%
Salary Increases (merit only)	3.00%
Investment rate of return	7.25%
Mortality rates	RP-2000 Combined Healthy Mortality Table (set back 3 years for males and 1 year for females) RP-2000 Disabled Lives Mortality Table
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and included 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 substantially automatic.

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, 2004 through June 30, 2009. 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 discount 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Notes to the Basic 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 of 7.25%, 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 6.25% or one percentage point higher 8.25% than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 206,720,582	\$ 134,886,176	\$ 73,798,479

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2014 were recognized in the current reporting period as pension expense except as follows:

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 inflow of resources in the amount of \$3,418,653 for the year ended June 30, 2014. Pension benefit and remaining deferred inflow for the year ended June 30, 2014 was \$683,731 and \$2,734,922, respectively.

Differences between Projected and Actual Investment Earning - 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 inflow of resources in the amount of \$39,256,798 for the year ended June 30, 2014. Pension benefit and remaining deferred inflow for the year ended June 30, 2014 was \$7,851,360 and \$31,405,438, respectively.

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 \$14,959,618 for the year ended June 30, 2014. Pension expense and remaining deferred outflow of resources for the year ended June 30, 2014 was \$2,991,924 and \$11,967,694, respectively.

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 of resources since the prior measurement date were recognized in employer's pension expense (benefit) using a the straight-

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

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.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) 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 a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Funding Policy:

Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The rate as of June 30, 2015 was 19.00% of annual covered payroll. Effective July 1, 2013, the Clerk of Court has elected to pay the member's share of the required contribution equal to 8.25% of their annual covered salary. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk of Court's contributions to the System for the years ended June 30, 2015, 2014, and 2013 were \$1,188,891, \$1,092,567, and \$868,015, respectively.

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

Plan Description: The Lafayette Parish Clerk of Court's 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' of Court Retirement and Relief 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. However, in order to be eligible for retiree medical insurance coverage paid by the employer, the eligibility provisions are attainment of age 55 (age 60 for employees hired on and after January 1, 2012) and completion of 20 years of service. Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. 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. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below 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.

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Notes to the Basic Financial Statements (Continued)

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 2008, the Lafayette Parish Clerk of Court recognized the cost of providing post-employment medical and life insurance benefits (the Lafayette Parish Clerk of Court's portion of the retiree medical and life insurance 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, the Lafayette Parish Clerk of Court's portion of health care and life insurance funding cost for retired employees totaled \$139,438, respectively.

Effective July 1, 2008, the Lafayette 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 - The Lafayette 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:

Normal Cost	\$ 201,831
30-year UAL amortization amount	<u>433,848</u>
Annual required contribution	<u>\$ 635,679</u>

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

Beginning Net OPEB Obligation	\$ 5,410,810
Annual required contribution	635,679
Interest on OPEB obligation	216,432
ARC Adjustment	<u>(312,907)</u>
OPEB Cost	539,204
Contributions to Irrevocable Trust	-
Current year retiree premium	<u>(139,438)</u>
Change in Net OPEB Obligation	<u>399,766</u>
Ending Net OPEB Obligation	<u>\$ 5,810,576</u>

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Notes to the Basic Financial Statements (Continued)

The following table shows the Lafayette 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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability (Asset)
6/30/2015	\$ 539,204	25.86%	\$ 5,810,576
6/30/2014	1,170,482	16.32%	5,410,810

Funded Status and Funding Progress - In 2015, the Lafayette 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, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2015 was \$7,802,345 which is defined as that portion, as determined by a particular actuarial cost method (the Lafayette 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)	\$ 7,802,345
Actuarial Value of Plan Assets	<u> -</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 7,802,345</u>
Funded Ratio (AVP/AAL)	0.00%
Covered payroll (active members)	\$ 4,599,897
UAAL as a percentage of covered payroll	169.62%

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 Lafayette Parish Clerk of Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Lafayette Parish Clerk of Court and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of

LAFAYETTE PARISH CLERK OF COURT
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Notes to the Basic Financial Statements (Continued)

legal or contractual funding limitations on the pattern of cost sharing between the Lafayette 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 plan 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.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 12.5%. It has also been assumed that 5% of retirees decline medical coverage upon retirement.

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

Investment Return Assumption (Discount Rate) - GASB Codification Section P50 states 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 (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

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 rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been 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 sufficiently conservative margin for the population involved in this valuation.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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 75% of the cost of the medical for the retirees and 0% for dependents provided that the retiree had medical coverage for ten years prior to retirement. Unblended retiree rates were provided and used as required by GASB Codification Section P50.

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.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
OPEB Cost	\$ 1,131,477	\$ 1,170,482	\$ 539,204
Contribution	-	-	-
Retiree Premium	<u>156,329</u>	<u>191,000</u>	<u>139,438</u>
Total contribution and premium	<u>156,329</u>	<u>191,000</u>	<u>139,438</u>
Change in net OPEB obligation	<u>\$ 975,148</u>	<u>\$ 979,482</u>	<u>\$ 399,766</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	13.82%	16.32%	25.86%

(9) Risk Management

A. Commercial Insurance Coverage

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

B. Group Self-Insurance

The Clerk of Court maintains a limited risk management program for group hospitalization insurance. The Clerk of Court has contracted Gilsbar Health and Benefit Managements to act as the third party administrator for the program. An excess of coverage insurance policy covers individual claims in excess of \$40,000 per year and \$1,451,306 per lifetime.

The General Fund participates in the program. The claims liability of \$52,101 reported in the General Fund at June 30, 2015 is based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated. The total claims liability of \$57,254 for the program includes \$5,153 for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The Clerk of Court currently does not discount its claims liabilities. Changes in the claims liability are as follows:

	Fiscal Year Liability	Changes in Estimates	Payments and Claims	Fiscal Year End
2013 - 2014	\$106,050	\$ 929,931	\$ 986,501	\$ 49,480
2014 - 2015	49,480	933,732	925,958	57,254

(10) Changes in Agency Fund Balances

The following is a summary of changes in agency fund unsettled deposits for the year ended June 30, 2015:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$ 5,980,820	\$ 6,414,556	\$ 6,272,003	\$ 6,123,373
Registry of Court	6,401,788	1,521,614	2,124,551	5,798,851
Election Qualifying	580	3	-	583
Totals	\$12,383,188	\$ 7,936,173	\$ 8,396,554	\$11,922,807

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(11) Operating Leases

The Clerk of Court is contracted under one vehicle lease agreement and two property leases. The vehicle lease is \$849 monthly and expires in March, 2016. The property leases are: \$2,000 monthly, expiring June 30, 2018 with the option to renew for two additional four-year terms; and \$3,000 monthly, expiring March 1, 2017.

In addition, the Clerk of Court leases fourteen copiers under operating leases ranging from 39 to 48 months and expiring at various dates from August, 2015 through June 2019.

Future minimum lease payments are as follows:

2016	\$ 95,596
2017	67,261
2018	34,221
2019	<u>5,667</u>
Total	<u>\$ 202,745</u>

Lease expense for the year ended June 30, 2015 was \$120,571.

(12) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$262,929 for the year ended June 30, 2015.

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.

(13) Expenditures Paid by the Lafayette City-Parish Consolidated Government

The Clerk of Court's office is located in the Lafayette Parish Courthouse. The Lafayette City-Parish Consolidated Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements. Income relating to court reporting attendance, maintenance agreements and capital outlay required to be paid by the Lafayette City-Parish Consolidated Government are reported as revenues. During the year ended June 30, 2015, the required payments by the Lafayette City-Parish Consolidated Government were not received by the Clerk of Court but are reflected as appropriation expenditures.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

The schedule of compensation, benefits, and other payments to Louis J. Perret, Clerk of Court, for the year ended June 30, 2015 follows:

Salary	\$ 166,068
Benefits - insurance	11,016
Benefits - retirement	44,690
Benefits - deferred compensation	7,416
Vehicle provided by government	2,572
Per diem	386
Dues	3,106
Registration fees	400
Conference travel	1,770
Continuing professional education fees	<u>1,430</u>
 Total	 <u>\$ 238,854</u>

(15) Litigation

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2015.

(16) Prior Period Adjustment

During the current fiscal year, the Clerk implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The effect of GASB 68 on the financial statements is as follows:

	2014		
	As Previously Reported	Restatement	As Restated
Statement of net position -			
Governmental activities (GWFS):			
Net pension liability	\$ -	\$ 6,984,661	\$ 6,984,661
Unrestricted net position	3,850,683	(6,984,661)	(3,133,978)
Total net position	4,371,005	(6,984,661)	(2,613,656)

**REQUIRED
SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 383,000	\$ 420,425	\$ 379,463	\$ (40,962)
Fees, charges and commissions -				
Court costs, fees and charges	344,850	313,495	320,326	6,831
Fees for recording legal documents	6,708,100	6,683,170	6,770,465	87,295
Fees for certified copies	910,500	808,000	800,416	(7,584)
Intergovernmental	372,000	458,250	479,151	20,901
Miscellaneous	352,000	415,380	435,700	20,320
Total revenues	<u>9,070,450</u>	<u>9,098,720</u>	<u>9,185,521</u>	<u>86,801</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	7,589,788	7,729,200	7,499,790	229,410
Operating services	871,000	887,700	848,181	39,519
Material and supplies	961,000	859,200	974,439	(115,239)
Appropriations to Lafayette Parish				
Government	296,400	310,000	342,868	(32,868)
Capital outlay	170,000	21,000	19,316	1,684
Total expenditures	<u>9,888,188</u>	<u>9,807,100</u>	<u>9,684,594</u>	<u>122,506</u>
Deficiency of revenues over expenditures	(817,738)	(708,380)	(499,073)	209,307
Fund balance, beginning of year	<u>10,121,325</u>	<u>10,121,325</u>	<u>10,121,325</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,303,587</u>	<u>\$ 9,412,945</u>	<u>\$ 9,622,252</u>	<u>\$ 209,307</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Schedule of Funding Progress - Other Post Employment Benefits
For the Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2014	\$ -	\$ 7,802,345	\$ 7,802,345	0.0%	\$4,599,897	170%
July 1, 2011	\$ -	\$10,842,901	\$10,842,901	0.0%	\$4,211,679	257%
July 1, 2008	\$ -	\$ 8,884,257	\$ 8,884,257	0.0%	\$4,175,173	213%

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2015*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	4.750474%	\$ 6,407,333	\$ 4,017,032	159.5%	79.37%

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund
Schedule of Employer Contributions
For the Year Ended June 30, 2015*

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 829,115	\$ 829,115	\$ -	\$ 4,017,032	20.64%

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

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Comparative Statement of Net Position
June 30, 2015 and 2014

	Governmental Activities	
	2015	2014
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 9,275,135	\$ 9,922,725
Accounts receivable	327,591	302,301
Insurance stop loss receivable	278,227	85,616
Due from other governmental units	34,518	28,941
Accrued interest	505	401
Prepaid expenditures	53,795	28,789
Inventory	6,937	6,954
Total current assets	9,976,708	10,375,727
Noncurrent assets:		
Capital assets, net	400,924	520,322
Total assets	10,377,632	10,896,049
Deferred outflows of resources	1,482,568	-
LIABILITIES		
Current liabilities:		
Accounts and other payables	350,610	248,997
Due to other governmental units	8,999	9,858
Total current liabilities	359,609	258,855
Noncurrent liabilities:		
Compensated absences	914,556	855,379
Net OPEB obligation	5,810,576	5,410,810
Net pension liability	6,407,733	-
Noncurrent liabilities	13,132,865	6,266,189
Total liabilities	13,492,474	6,525,044
Deferred inflows of resources	1,649,839	-
NET POSITION		
Net investment in capital assets	400,924	520,322
Unrestricted	(3,683,037)	3,850,683
Total net position	\$ (3,282,113)	\$ 4,371,005

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 the fund. General operating expenditures are paid from this fund.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Comparative Balance Sheet
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	\$ 4,948	\$ 5,881
Interest-bearing deposits	9,270,187	9,916,844
Receivables:		
Accounts receivable	327,591	302,301
Insurance stop loss receivable	278,227	85,616
Due from other governmental agencies	34,518	28,941
Accrued interest	505	401
Prepaid expenditures	53,795	28,789
Inventory	6,937	6,954
Total assets	\$ 9,976,708	\$ 10,375,727
LIABILITIES AND FUND BALANCE		
Liabilities:		
Cash overdraft	\$ 34,414	\$ 11,589
Accounts payable	120,058	65,014
Claims payable	52,101	45,026
Payroll liabilities payable	138,884	122,915
Due to other governmental agencies	8,999	9,858
Total liabilities	354,456	254,402
Fund balance:		
Nonspendable (prepaid expenditures and inventory)	60,732	35,743
Unassigned	9,561,520	10,085,582
Total fund balance	9,622,252	10,121,325
Total liabilities and fund balance	\$ 9,976,708	\$ 10,375,727

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			Variance with Final Budget Positive (Negative)	2014 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Licenses and permits	\$ 383,000	\$ 420,425	\$ 379,463	\$ (40,962)	\$ 382,505
Fees, charges and commissions -					
Court costs, fees and charges	344,850	313,495	320,326	6,831	349,286
Fees for recording legal documents	6,708,100	6,683,170	6,770,465	87,295	6,830,985
Fees for certified copies	910,500	808,000	800,416	(7,584)	930,610
Intergovernmental	372,000	458,250	479,151	20,901	431,739
Miscellaneous	352,000	415,380	435,700	20,320	329,086
Total revenues	<u>9,070,450</u>	<u>9,098,720</u>	<u>9,185,521</u>	<u>86,801</u>	<u>9,254,211</u>
Expenditures:					
Current -					
General government:					
Personnel services and related benefits	7,589,788	7,729,200	7,499,790	229,410	7,007,066
Operating services	871,000	887,700	848,181	39,519	857,801
Material and supplies	961,000	859,200	974,439	(115,239)	908,791
Appropriations to Lafayette Parish Government	296,400	310,000	342,868	(32,868)	306,885
Capital outlay	170,000	21,000	19,316	1,684	79,515
Total expenditures	<u>9,888,188</u>	<u>9,807,100</u>	<u>9,684,594</u>	<u>122,506</u>	<u>9,160,058</u>
Excess (deficiency) of revenues over expenditures	(817,738)	(708,380)	(499,073)	209,307	94,153
Fund balance, beginning of year	<u>10,121,325</u>	<u>10,121,325</u>	<u>10,121,325</u>	-	<u>10,027,172</u>
Fund balance, end of year	<u>\$9,303,587</u>	<u>\$9,412,945</u>	<u>\$9,622,252</u>	<u>\$ 209,307</u>	<u>\$ 10,121,325</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			Variance - Positive (Negative)	2014 Actual
	Budget		Actual		
	Original	Final			
Licenses and permits:					
Marriage licenses	\$ 54,000	\$ 55,400	\$ 54,532	\$ (868)	\$ 53,598
Passports	64,000	99,225	57,025	(42,200)	57,600
Birth/death certificates	<u>265,000</u>	<u>265,800</u>	<u>267,906</u>	<u>2,106</u>	<u>271,307</u>
Total licenses and permits	<u>383,000</u>	<u>420,425</u>	<u>379,463</u>	<u>(40,962)</u>	<u>382,505</u>
Fees, charges and commissions:					
Court costs, fees and charges -					
Criminal costs	217,000	205,750	201,314	(4,436)	219,393
Court attendance reporting	27,000	27,000	27,700	700	27,020
Other	<u>100,850</u>	<u>80,745</u>	<u>91,312</u>	<u>10,567</u>	<u>102,873</u>
Total court costs, fees and charges	<u>344,850</u>	<u>313,495</u>	<u>320,326</u>	<u>6,831</u>	<u>349,286</u>
Fees for recording legal documents:					
Recordings	2,465,000	2,539,000	2,616,197	77,197	2,528,570
Index search	8,600	11,340	11,560	220	9,200
Cancellations	355,000	336,675	338,809	2,134	356,177
Mortgage certificates	68,500	60,105	59,116	(989)	66,575
Suits and successions	3,740,000	3,664,200	3,671,049	6,849	3,801,286
UCC filing	<u>71,000</u>	<u>71,850</u>	<u>73,734</u>	<u>1,884</u>	<u>69,177</u>
Total fees for recording legal documents	<u>6,708,100</u>	<u>6,683,170</u>	<u>6,770,465</u>	<u>87,295</u>	<u>6,830,985</u>
Certified copies	<u>910,500</u>	<u>808,000</u>	<u>800,416</u>	<u>(7,584)</u>	<u>930,610</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			Variance - Positive (Negative)	2014 Actual
	Budget		Actual		
	Original	Final			
Intergovernmental:					
Charges reimbursable by parish government	200,000	310,000	315,168	5,168	279,865
Federal grant - non-support	<u>172,000</u>	<u>148,250</u>	<u>163,983</u>	<u>15,733</u>	<u>151,874</u>
Total intergovernmental	<u>372,000</u>	<u>458,250</u>	<u>479,151</u>	<u>20,901</u>	<u>431,739</u>
Miscellaneous:					
Interest earned	38,000	35,720	31,880	(3,840)	34,641
Elections	12,000	47,300	48,986	1,686	9,803
Other	<u>302,000</u>	<u>332,360</u>	<u>354,834</u>	<u>22,474</u>	<u>284,642</u>
Total miscellaneous	<u>352,000</u>	<u>415,380</u>	<u>435,700</u>	<u>20,320</u>	<u>329,086</u>
 Total revenues	 <u>\$9,070,450</u>	 <u>\$9,098,720</u>	 <u>\$9,185,521</u>	 <u>\$ 86,801</u>	 <u>\$9,254,211</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			Variance - Positive (Negative)	2014 Actual
	Budget		Actual		
	Original	Final			
Expenditures:					
Current -					
Personnel services and related benefits -					
Salaries:					
Clerk	\$ 148,489	\$ 151,500	\$ 151,190	\$ 310	\$ 145,986
Deputy clerks	4,675,000	4,830,000	4,615,042	214,958	4,309,268
Clerk's expense allowance	14,849	14,900	14,879	21	14,359
Clerk's supplemental fund	51,450	49,800	49,800	-	49,800
Unemployment	-	-	-	-	10,468
Hospitalization claims, net	1,500,000	1,316,000	1,140,525	175,475	1,163,899
Payroll taxes, retirement and compensated absences	<u>1,200,000</u>	<u>1,367,000</u>	<u>1,528,354</u>	<u>(161,354)</u>	<u>1,313,286</u>
Total personnel services and related benefits	<u>7,589,788</u>	<u>7,729,200</u>	<u>7,499,790</u>	<u>229,410</u>	<u>7,007,066</u>
Operating services -					
Insurance	45,000	53,000	52,842	158	42,045
Professional fees	52,000	57,700	51,102	6,598	56,997
UCC filing	67,000	70,000	69,174	826	68,520
Telephone	36,000	20,000	17,797	2,203	35,416
Travel and conventions	10,000	9,100	8,567	533	11,642
Election expense allowance	15,000	24,000	23,156	844	2,190
Copier expense	66,000	58,000	54,951	3,049	67,030
Computer operations	300,000	300,000	274,871	25,129	278,404
Parking fees	36,000	33,100	33,024	76	33,144
Training	8,000	13,500	12,505	995	7,975
Center for family violence contribution	225,000	239,000	229,048	9,952	236,310
Workers' compensation	11,000	10,300	10,291	9	10,493
Miscellaneous	-	-	10,853	<u>(10,853)</u>	<u>7,635</u>
Total operating services	<u>871,000</u>	<u>887,700</u>	<u>848,181</u>	<u>39,519</u>	<u>857,801</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			Variance - Positive (Negative)	2014 Actual
	Budget		Actual		
	Original	Final			
Materials and supplies -					
Office supplies and operations	936,500	757,376	873,457	(116,081)	828,876
Automobile and maintenance	15,500	15,500	15,618	(118)	15,592
Dues and subscription	4,000	5,000	4,646	354	3,757
Leases and rentals	-	73,824	73,824	-	56,400
Uniforms	5,000	7,500	6,894	606	4,166
Total materials and supplies	<u>961,000</u>	<u>859,200</u>	<u>974,439</u>	<u>(115,239)</u>	<u>908,791</u>
Appropriations to Lafayette City-Parish Consolidated Government -					
Operating revenues and expenditures unreimbursed	<u>296,400</u>	<u>310,000</u>	<u>342,868</u>	<u>(32,868)</u>	<u>306,885</u>
Capital outlay -					
Office equipment	20,000	3,000	2,386	614	21,888
Computer equipment	100,000	18,000	16,930	1,070	57,177
Computer software	50,000	-	-	-	450
Total capital outlay	<u>170,000</u>	<u>21,000</u>	<u>19,316</u>	<u>1,684</u>	<u>79,515</u>
Total expenditures	<u>\$9,888,188</u>	<u>\$9,807,100</u>	<u>\$ 9,684,594</u>	<u>\$122,506</u>	<u>\$9,160,058</u>

FIDUCIARY FUNDS

Advance Deposit Fund -

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account 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, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon specific court order.

Election Qualifying Fund -

The Election Qualifying Fund is used to account for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
Fiduciary Funds

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2015
With Comparative Totals for June 30, 2014

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Election Qualifying</u>	<u>Totals</u>	
				2015	2014
ASSETS					
Cash	\$ -	\$ 608,800	\$ -	\$ 608,800	\$ 605,581
Interest-bearing deposits	<u>6,123,373</u>	<u>5,190,051</u>	<u>583</u>	<u>11,314,007</u>	<u>10,903,601</u>
Total assets	<u>\$ 6,123,373</u>	<u>\$ 5,798,851</u>	<u>\$ 583</u>	<u>\$ 11,922,807</u>	<u>\$ 11,509,182</u>
LIABILITIES					
Due to litigants and others	<u>\$ 6,123,373</u>	<u>\$ 5,798,851</u>	<u>\$ 583</u>	<u>\$ 11,922,807</u>	<u>\$ 11,509,182</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2015
With Comparative Totals For the Year Ended June 30, 2014

	Advance Deposit	Registry of Court	Election Qualifying	Totals	
				2015	2014
ASSETS					
Balances, beginning of year	\$ 5,980,820	\$ 6,401,788	\$ 580	\$ 12,383,188	\$ 11,509,182
Additions:					
Suits and successions	6,414,556	1,508,646	-	7,923,202	6,471,779
Deposits per court order	-	12,968	-	12,968	2,449,828
Interest earned	-	-	3	3	13,919
Total additions	<u>6,414,556</u>	<u>1,521,614</u>	<u>3</u>	<u>7,936,173</u>	<u>8,935,526</u>
Total	<u>12,395,376</u>	<u>7,923,402</u>	<u>583</u>	<u>20,319,361</u>	<u>20,444,708</u>
Reductions:					
Clerk's costs (transferred to General Fund)	3,670,685	-	-	3,670,685	3,801,792
Refunds to litigants	1,345,608	-	-	1,345,608	1,209,905
Other	628,922	-	-	628,922	661,366
Interest earned (transferred to General Fund)	-	19,417	-	19,417	14,202
Lafayette Parish Sheriff fees	431,232	-	-	431,232	464,963
Other Sheriff fees	195,556	-	-	195,556	189,808
Disbursements by court order	-	2,105,134	-	2,105,134	1,719,484
Total reductions	<u>6,272,003</u>	<u>2,124,551</u>	<u>-</u>	<u>8,396,554</u>	<u>8,061,520</u>
Balances, end of year	<u>\$ 6,123,373</u>	<u>\$ 5,798,851</u>	<u>\$ 583</u>	<u>\$ 11,922,807</u>	<u>\$ 12,383,188</u>
LIABILITIES					
Due to litigants and others, beginning of year	\$ 5,980,820	\$ 6,401,788	\$ 580	\$ 12,383,188	\$ 11,509,182
Additions	6,414,556	1,521,614	3	7,936,173	8,935,526
Reductions	<u>6,272,003</u>	<u>2,124,551</u>	<u>-</u>	<u>8,396,554</u>	<u>8,061,520</u>
Due to litigants and others, end of year	<u>\$ 6,123,373</u>	<u>\$ 5,798,851</u>	<u>\$ 583</u>	<u>\$ 11,922,807</u>	<u>\$ 12,383,188</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Combined Schedule of Interest-Bearing Deposits - All Funds
June 30, 2015

	Financial Institution	Interest Rate	Term	Maturity Date	Amount
General Fund -					
Certificate of deposit	I	0.30%	6 month	08/21/14	\$ 100,000
Certificate of deposit	R	0.45%	1 year	11/06/15	100,000
Interest-bearing deposits	I	variable	N/A	N/A	1,400,382
Interest-bearing deposits	I	variable	N/A	N/A	2,601
Interest-bearing deposits	I	variable	N/A	N/A	3,874
Interest-bearing deposits	I	variable	N/A	N/A	7,487,495
Interest-bearing deposits	I	variable	N/A	N/A	175,835
Total General Fund					<u>9,270,187</u>
Advance Deposit Fund -					
Certificate of deposit	R	0.45%	1 year	10/24/15	500,000
Certificate of deposit	M	0.15%	1 year	10/01/15	500,000
Certificate of deposit	C	0.10%	1 year	04/28/16	500,000
Certificate of deposit	T	0.55%	1 year	08/11/15	500,000
Certificate of deposit	H	0.80%	8 month	02/13/16	200,000
Certificate of deposit	B	0.35%	1 year	06/12/16	75,000
Certificate of deposit	B	0.35%	1 year	06/12/16	75,000
Certificate of deposit	B	0.35%	1 year	06/12/16	50,000
Interest-bearing deposits	Ch	variable	N/A	N/A	3,723,373
Total Advance Deposit Fund					<u>6,123,373</u>
Registry of the Court Fund -					
Interest-bearing deposits	I	variable	N/A	N/A	5,190,051
Total Registry of the Court Fund					<u>5,190,051</u>
Election Qualifying Fund -					
Interest-bearing deposits	I	variable	N/A	N/A	583
Total - all funds					<u>\$ 20,584,194</u>

Financial Institution:

- (I) Iberia Bank
- (R) Rayne State Bank
- (M) Mid-South Bank
- (C) Community First Bank
- (T) Tri-Parish Bank
- (H) Home Bank
- (B) Business First Bank
- (Ch) Chase Bank

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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Conrad O. Chapman, CPA* 2006

The Honorable Louis J. Perret
Lafayette Parish Clerk of Court
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Clerk of Court as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Clerk of Court's basic financial statements and have issued our report thereon dated October 13, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and corrective action plan, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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. We consider the deficiency described in the accompanying schedule of current and prior year audit findings and corrective action plan as item 2015-001(IC) to be a material weakness.

Compliance and Other Matters

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

Lafayette Parish Clerk of Court's Response to Findings

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

Purpose of this Report

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 13, 2015

LAFAYETTE PARISH CLERK OF COURT

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2015

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Completion Date</u>
CURRENT YEAR (6/30/15) --						
<u>Internal Control:</u>						
2015-001(IC)	06/30/07	The Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Louis J. Perret, Clerk of Court	N/A
PRIOR YEAR (6/30/14) --						
<u>Internal Control:</u>						
2014-001(IC)	06/30/07	The Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Louis J. Perret, Clerk of Court	N/A