

**WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2018
With Supplemental Information Schedules**

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

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With Supplemental Information Schedules

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Independent Auditor's Report

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the West Carroll Parish Clerk of Court, a component unit of the West Carroll Parish Police Jury, as of June 30, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana
Independent Auditor's Report,
June 30, 2018

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, major fund, and fiduciary funds information of the West Carroll Parish Clerk of Court as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, the budgetary comparison information on pages 39 through 40, the schedule of funding progress for the retiree healthcare plan on page 41, the schedule of the Clerks' proportionate share of the net pension liability on page 42, and the Schedule of Employer Contributions on page 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining schedule of changes in unsettled deposits is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana
Independent Auditor's Report,
June 30, 2018

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated November 13, 2018, on my consideration of the West Carroll Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Carroll Parish Clerk of Court's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated November 13, 2018, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
November 13, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

Management's Discussion and Analysis
June 30, 2018

As management of the West Carroll Parish Clerk of Court, I offer readers of the West Carroll Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the West Carroll Parish Clerk of Court for the fiscal year ended June 30, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

The Combining Schedules of Fiduciary Funds is presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the West Carroll Parish Clerk of Court exceeded assets by \$778,450. The largest portion of the West Carroll Parish Clerk of Court's net position reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending.

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

STATEMENT OF NET POSITION

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$51,938	\$29,755
Receivables	6,562	4,644
Due from other funds	8,934	6,811
Capital assets (net of accumulated depreciation)	<u>7,825</u>	<u>9,032</u>
TOTAL ASSETS	<u>75,259</u>	<u>50,242</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>89,850</u>	<u>159,120</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$165,109</u>	<u>\$209,362</u>
LIABILITIES		
Accounts payable	\$6,250	\$6,893
Salaries payable	529	405
Payroll deducts payable	3,218	2,570
Due to Clerk	77,552	58,009
Due to other funds	1,225	1,225
Compensated absences payable	7,845	7,845
Net Pension liability	345,279	410,530
Net OPEB obligation	<u>489,317</u>	<u>348,349</u>
TOTAL LIABILITIES	<u>931,215</u>	<u>835,826</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB Related	12,344	16,281
NET POSITION		
Invested in capital assets, net of related debt	7,825	9,032
Unrestricted	<u>(786,275)</u>	<u>(651,777)</u>
TOTAL NET POSITION	<u>(778,450)</u>	<u>(642,745)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$165,109</u>	<u>\$209,362</u>

STATEMENT OF ACTIVITIES

	<u>2018</u>	<u>2017</u>
Judicial:		
Personal services	\$357,713	\$380,171
Operating services	30,580	42,410
Materials and supplies	67,231	4,855
Travel	26,768	26,900
Depreciation expense	3,461	3,187
Total Program Expenses	<u>485,753</u>	<u>457,523</u>
Program revenues:		
License and permits - marriage	1,227	1,400
Clerk's supplemental compensation	23,350	22,750
Court cost, fees, and charges	195,349	189,042
Fee for recording legal documents	137,610	111,710
Fees for certified copies of documents	<u>33,049</u>	<u>28,320</u>

Total program revenues	<u>\$390,585</u>	<u>\$353,222</u>
Net Program Expenses	<u>(95,168)</u>	<u>(104,301)</u>
General revenues:		
LCRAA Grant	33,237	
Interest earned	19	17
Other revenues	<u>52,560</u>	<u>23,277</u>
Change in Net Position	<u>(9,352)</u>	<u>(81,007)</u>
Net Position - Beginning of year - as restated	<u>(769,098)</u>	<u>(561,738)</u>
Net Position - End of year	<u><u>(\$778,450)</u></u>	<u><u>(\$642,745)</u></u>

Financial Analysis of the Government's Funds

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

As of June 30, 2018, the General Fund unreserved, undesignated fund balance(deficit) of (\$21,340) showed an increase of \$6,552 over June 30, 2017.

General Fund Budgetary Highlights

The primary difference between revenues of the original budget and the final budget was an increase in LCRAA grant, fees for recording, certified copies and miscellaneous revenues and a decrease in anticipated court costs, fees, and charges. The differences between expenditures of the original budget and the final budget were primarily due to increases in personal services, operating services, and materials and supplies.

Capital assets. The West Carroll Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$7,825 (net of accumulated depreciation). This investment includes furniture and equipment. There were increases of \$2,254 for the year and no decreases for the year.

Long-term debt. At the end of the fiscal year, West Carroll Parish Clerk of Court had \$7,845 debt outstanding for compensated absences. The West Carroll Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). Net OPEB obligation associated with the Retiree Health Plan at June 30, 2018 is \$489,317. Net pension obligation associated with the Pension Plan at June 30, 2018 is \$345,279.

Requests for Information

This financial report is designed to provide a general overview of the West Carroll Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the West Carroll Parish Clerk of Court, P.O. Drawer 1078, Oak Grove, LA 71263.

BASIC FINANCIAL STATEMENTS

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

STATEMENT OF NET POSITION
June 30, 2018

ASSETS

Cash and cash equivalents	\$51,938
Receivables	6,562
Due from other funds	8,934
Capital assets (net of accumulated depreciation)	<u>7,825</u>
TOTAL ASSETS	<u>75,259</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>89,850</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$165,109</u>

LIABILITIES

Accounts payable	\$6,250
Salaries payable	529
Payroll deducts payable	3,218
Due to Clerk	77,552
Due to other funds	1,225
Compensated absences payable	7,845
Net pension liability	345,279
Net OPEB obligation	<u>489,317</u>
TOTAL LIABILITIES	<u>931,215</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>12,344</u>
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NET POSITION

Invested in capital assets, net of related debt	7,825
Unrestricted	<u>(786,275)</u>
TOTAL NET POSITION	<u>(778,450)</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

\$165,109

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2018

Judicial:	
Personal services	\$357,713
Operating services	30,580
Materials and supplies	67,231
Travel	26,768
Depreciation expense	3,461
Total Program Expenses	<u>485,753</u>
Program revenues:	
License and permits - marriage	1,227
Clerk's supplemental compensation	23,350
Court cost, fees, and charges	195,349
Fees for recording legal documents	137,610
Fees for certified copies of documents	33,049
Total program revenues	<u>390,585</u>
Net Program Expenses	<u>(95,168)</u>
General revenues:	
LCRAA grant	33,237
Interest earned	19
Other revenues	52,560
Change in Net Position	(9,352)
Net Position - Beginning of year - as restated	<u>(769,098)</u>
Net Position - End of year	<u><u>(\$778,450)</u></u>

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

ASSETS

Cash and cash equivalents	\$51,938
Receivables	6,562
Due from Other Funds	<u>8,934</u>
TOTAL ASSETS	<u>\$67,434</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$6,250
Payroll payable	529
Payroll deducts payable	3,218
Due to Clerk	77,552
Due to Other Funds	1,225
Fund Equity - fund (deficit) balances - unassigned	<u>(21,340)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$67,434</u>

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

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

For the Year Ended June 30, 2018

Total Fund Balances - Governmental Funds (Statement C)		(\$21,340)
Deferred outflows of resources		89,850
Cost of capital assets	\$64,695	
Less: Accumulated depreciation	<u>(56,870)</u>	7,825
Long term liabilities:		
Compensated absences payable	(7,845)	
Net pension liability	(345,279)	
Net OPEB obligation	<u>(489,317)</u>	(842,441)
Deferred inflows of resources		<u>(12,344)</u>
Net Position (Statement A)		<u>(\$778,450)</u>

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2018

REVENUES

Licenses and permits - marriage	\$1,227
Intergovernmental:	
LCRAA grant	33,237
Clerk's supplemental compensation	23,350
Fees, charges, and commissions for services:	
Court costs, fees, and charges	195,349
Fees for recording legal documents	137,610
Fees for certified copies of documents	33,049
Use of money and property - interest earnings	19
Miscellaneous revenues	<u>28,130</u>
Total revenues	<u>451,971</u>

EXPENDITURES

Current:	
General government - judicial:	
Personal services	318,586
Operating services	30,580
Materials and supplies	67,231
Travel and other charges	26,768
Capital outlay	<u>2,254</u>
Total expenditures	<u>445,419</u>

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

6,552

FUND BALANCES (Deficit) AT BEGINNING OF YEAR

(27,892)

FUND BALANCES (Deficit) AT END OF YEAR

(\$21,340)

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

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

For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds (Statement D)	\$6,552
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(1,207)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(17,491)
Non-employer contributions to cost-sharing pension plan	24,430
Pension expense associated with cost-sharing pension plan	<u>(21,636)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$9,352)</u></u>

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>NON SUPPORT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$185,468	\$26,666	\$5,535	\$217,669
Accounts receivable			3,399	3,399
Due from other funds	1,166		59	1,225
	<u>\$186,634</u>	<u>\$26,666</u>	<u>\$8,993</u>	<u>\$222,293</u>
LIABILITIES				
Due to:				
General Fund			\$8,934	\$8,934
Others	\$186,634	\$26,666	59	213,359
TOTAL LIABILITIES	<u>\$186,634</u>	<u>\$26,666</u>	<u>\$8,993</u>	<u>\$222,293</u>

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

Governmental Fund Type

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

Fiduciary Fund Type - Agency Funds

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

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

Revenues

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

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

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the clerk of court has cash and cash equivalents (book balances) totaling \$269,607.

WEST CARROLL PARISH CLERK OF COURT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

Demand deposits	\$206,171
Time deposits	<u>63,436</u>
Total	<u><u>\$269,607</u></u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk's name.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2018 total \$286,967 and are fully secured by FDIC insurance.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

WEST CARROLL PARISH CLERK OF COURT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

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

G. ANNUAL AND SICK LEAVE

Employees of the clerk of court's office are allowed 5 to 20 days annual leave each year, depending on length of service, and are allowed to accrue unused annual leave. Upon voluntary resignation or retirement, an employee is compensated for unused annual leave. Additionally, employees of the clerk of court's office are allowed 12 to 24 days sick leave each year depending on length of service, and may accumulate up to 30 days. Upon termination or retirement, employees are paid for unused sick leave at their current rate of pay.

At June 30, 2018, employees had accumulated and vested \$7,845 in sick leave and annual benefits, which is included in general long-term obligations in the accompanying financial statements. The cost of leave privileges is recognized as a current year expenditure when leave is actually taken or when employees are paid for accrued sick leave and annual leave upon separation of employment.

H. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

I. PENSION PLANS

The West Carroll Parish Clerk's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

(including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

J. OPEB PLAN

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

K. EQUITY CLASSIFICATIONS

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of (\$21,340). If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

L. ESTIMATES

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

WEST CARROLL PARISH CLERK OF COURT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

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

The West Carroll Parish Clerk of Courts' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a restatement of Net Position. The net effect to the Government-Wide Statement of Net Position of the Clerk by \$126,153.

As of July 1, 2014, the Clerk implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions-Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the Clerk by \$200.

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2017, as previously stated	(\$642,745)
Net Change in OPEB & Net Pension Liability at June 30, 2018	<u>(126,353)</u>
Total Net Position, June 30, 2018, Restated	<u><u>(\$769,098)</u></u>

2. RECEIVABLES

The receivables of \$9,961 at June 30, 2018, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Non Support Fund</u>	<u>Total</u>
Fees, charges, and commissions for services:			
Court costs, fees, and charges	\$1,584	\$3,399	\$4,983
Copies	1,583		1,583
Fees for recording legal documents	<u>3,395</u>		<u>3,395</u>
Total	<u><u>\$6,562</u></u>	<u><u>\$3,399</u></u>	<u><u>\$9,961</u></u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

WEST CARROLL PARISH CLERK OF COURT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

Balance, June 30, 2017	\$62,441
Additions	2,254
Deletions	NONE
Balance, June 30, 2018	<u>64,695</u>
Less accumulated depreciation	<u>(56,870)</u>
Net Capital Assets	<u><u>\$7,825</u></u>

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

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

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

Summary of Significant Accounting Policies.

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

The Louisiana Clerks’ of Court Retirement and Relief Fund employer schedules were prepared using the accrual basis of accounting. Members’ earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member’s earnable compensation is attributed to the employer for which the member is employed as of June 30, 2017.

WEST CARROLL PARISH CLERK OF COURT

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Notes to the Financial Statements (Continued)

Plan Fiduciary Net Position

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

Plan Description.

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

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

Plan Benefits

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

WEST CARROLL PARISH CLERK OF COURT

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Notes to the Financial Statements (Continued)

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

According to the state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19.0%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance any unfunded accrued liability. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

At June 30, 2018, the Clerk reported a liability of \$345,279 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerks' proportion of the net pension liability was based on a projection of the Clerks' long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks' actuarially determined. At June 30, 2017, the Clerks' proportion was .2282 percent, which was a decrease of .063 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk recognized pension expense of \$54,249 at June 30, 2017, 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 Resource
Differences between expected and actual experience	\$10,456	\$9,060
Changes assumptions	15,059	
Net differences between projected and actual earnings on pension plan	4,729	
Changes in employer's proportion of beginning NPL	20,794	579
Differences between employer and proportionate share of contributions	111	29
Subsequent Measurement Contributions	38,701	
Total	\$89,850	\$9,668

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

\$38,701 reported as deferred outflows of resources related to pensions resulting from the Clerks' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$12,503
2019	25,630
2020	13,751
2021	(10,403)
Total	41,481

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2017
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense
Projected salary increases	5.0%
Inflation rate	2.5%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Healthy Annuitant Table for healthy annuitants (set forward 1 year for males) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)
Expected remaining service lives	2014 - 5 years, 2015 - 5 years, 2016 - 5 years, 2017 - 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

WEST CARROLL PARISH CLERK OF COURT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

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

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

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

Sensitivity of the Clerks' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2017.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Clerks' proportionate share of the net pension liability	\$528,401	\$345,279	\$189,815

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The West Carroll Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The West Carroll Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit.*

Benefits Provided - Medical, dental, vision, and life benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana

WEST CARROLL PARISH CLERK OF COURT

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Notes to the Financial Statements (Continued)

Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: If a member is hired on or before December 31, 2010 then the member is eligible to receive regular retirement benefits once he or she has attained age 55 and completed 12 years of service. If a member is hired on or after January 1, 2011, then the member will be eligible to receive regular retirement benefits one he or she has attained age 60 and has at least 12 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 age 70.

Employees covered by benefit terms - At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>3</u>
Total employees	<u>5</u>

Total OPEB Liability

The Clerk's total OPEB liability of \$489,317 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.87%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

WEST CARROLL PARISH CLERK OF COURT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$474,502
Changes for the year:	
Service cost	5,029
Interest	18,558
Differences between expected and actual	(3,058)
Benefit payments and net transfers	(5,714)
Net Changes	<u>14,815</u>
Balance at June 30, 2018	<u><u>\$489,317</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
<u>Total OPEB liability</u>	<u>\$577,241</u>	<u>\$489,317</u>	<u>\$418,807</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
<u>Total OPEB liability</u>	<u>\$440,964</u>	<u>\$489,317</u>	<u>\$548,621</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Clerk recognized OPEB expense of \$23,205. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditures	NONE	(\$2,676)

WEST CARROLL PARISH CLERK OF COURT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

Amounts reported as deferred outflows of resources and deferred inflows resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	(\$382)
2020	(382)
2021	(382)
2022	(382)
2023	(382)
Thereafter	(765)

6. CHANGES IN AGENCY FUND BALANCES

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

	Advance Deposit Fund	Registry of Court Fund	Non Support Fund	Total
Balance, June 30, 2017	\$177,740	\$27,753	\$59	\$205,552
Additions	171,515	8,972	12,573	193,060
Deletions	(162,621)	(10,059)	(12,573)	(185,253)
Balance June 30, 2018	<u>\$186,634</u>	<u>\$26,666</u>	<u>\$59</u>	<u>\$213,359</u>

7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	Compensated Absences
Long-term obligations at January 1 ST	\$7,845
Additions	6,203
Deductions	(6,203)
Adjustments ¹	<u>NONE</u>
Long-term obligations at December 31 ST	<u>\$7,845</u>

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay and to reflect the maximum accumulation of thirty days.

8. LITIGATION AND CLAIMS

The West Carroll Parish Clerk of Court is not involved in any litigation at June 30, 2018, nor is she aware of any unasserted claims.

**9. EXPENDITURES OF THE CLERK OF COURT
PAID BY THE POLICE JURY**

The West Carroll Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the West Carroll Parish Police Jury.

10. FUND DEFICIT

At June 30, 2018, the General Fund has a deficit fund balance of \$21,340. The deficit will be eliminated by reducing expenditures and the clerk is working to increase the fee revenues.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
License and permits-marriage	\$1,800	\$1,200	\$1,227	\$27
Intergovernmental:				
LCRAA grant		33,236	33,237	1
Clerk's supplemental compensation	22,800	22,800	23,350	550
Fees, charges, and commissions for services:				
Court costs, fees, and charges	187,475	178,075	195,349	17,274
Fees for recording legal documents	119,000	121,000	137,610	16,610
Fees for certified copies of documents	26,500	30,000	33,049	3,049
Use of money and property - interest earnings			19	19
Miscellaneous revenues		28,081	28,130	49
Total revenues	<u>357,575</u>	<u>414,392</u>	<u>451,971</u>	<u>37,579</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and related benefits	296,410	306,410	318,586	(12,176)
Operating services	35,100	85,100	30,580	54,520
Materials and supplies	4,850	6,850	67,231	(60,381)
Travel and other charges	30,496	30,496	26,768	3,728
Capital outlay			2,254	(2,254)
Total expenditures	<u>366,856</u>	<u>428,856</u>	<u>445,419</u>	<u>(16,563)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(9,281)	(14,464)	6,552	21,016
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>10,000</u>	<u>18,778</u>	<u>(27,892)</u>	<u>46,670</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u>\$719</u>	<u>\$4,314</u>	<u>(\$21,340)</u>	<u>\$67,686</u>

See accompanying note to budgetary comparison schedule.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2018

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

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

West Carroll Parish Clerk of Court
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2018

Schedule of Funding Progress

Total OPEB Liability

Service cost	\$5,029
Interest	18,558
Changes of benefits terms	NONE
Differences between expected and actual experience	(3,058)
Changes of assumptions	NONE
Benefit payments	<u>(5,714)</u>
Net change in total OPEB liability	14,815
Total OPEB liability - beginning	<u>474,502</u>
Total OPEB liability - ending	<u><u>\$489,317</u></u>
Covered employee payroll	\$230,256
Net OPEB liability as a percentage of covered-employee payroll	212.51%

Note:

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

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

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

West Carroll Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
June 30, 2018

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.206006%	\$277,874	\$188,575	147.35%	87.34%
June 30, 2016	0.208438%	\$312,664	\$202,439	154.45%	99.23%
June 30, 2017	0.221911%	\$410,530	\$205,829	199.45%	82.10%
June 30, 2018	0.228218%	\$345,279	\$203,689	169.51%	88.49%

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

**West Carroll Parish Clerk of Court
Schedule of Employer Contributions
June 30, 2018**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$35,829	\$35,829	\$0	\$188,575	19.00%
June 30, 2016	\$38,463	\$38,463	\$0	\$202,439	19.00%
June 30, 2017	\$39,108	\$39,108	\$0	\$205,829	19.00%
June 30, 2018	\$38,701	\$38,701	\$0	\$203,689	19.00%

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

OTHER SUPPLEMENTARY INFORMATION

PART III

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018

ROBYN CREECH, CLERK OF COURT

PURPOSE	AMOUNT
Salary	\$94,160
Salary due to Clerk	17,593
Expense Allowance	11,756
Supplemental Compensation	23,400
Election expense	1,800
Benefits-insurance	11,464
Benefits-retirement	24,570
Per Diem	400
Travel - mileage	424
Registration fees	600
Housing and lodging	1,398
Membership - other	30
Membership dues-Clerk's Association	1,936

OTHER SUPPLEMENTARY INFORMATION

PART III

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2018

FIDUCIARY FUND TYPE - AGENCY FUNDS

ADVANCE DEPOSIT FUND

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

REGISTRY OF COURT FUND

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

NON SUPPORT FUND

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

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 2018

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	NON SUPPORT FUND	TOTAL
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	<u>\$177,740</u>	<u>\$27,753</u>	<u>\$59</u>	<u>\$205,552</u>
ADDITIONS				
Suits and successions	171,515	8,960		180,475
Support payments			12,573	12,573
Interest earned on investments		12		12
Total additions	<u>171,515</u>	<u>8,972</u>	<u>12,573</u>	<u>193,060</u>
Total	<u>349,255</u>	<u>36,725</u>	<u>12,632</u>	<u>398,612</u>
REDUCTIONS				
Clerk's costs to General Fund	120,817	80	12,573	133,470
Deposits settled to:				
Litigants	9,043	1,013		10,056
Appraisers, curators, and keepers	2,576	8,960		11,536
Sheriff's fees	14,029			14,029
Judge's Supplemental & Comp Fund	7,925			7,925
Judicial Expense Fund	4,710			4,710
Other reductions	3,521	6		3,527
Total reductions	<u>162,621</u>	<u>10,059</u>	<u>12,573</u>	<u>185,253</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u>\$186,634</u>	<u>\$26,666</u>	<u>\$59</u>	<u>\$213,359</u>

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

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

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

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the West Carroll Parish Clerk of Court, a component unit of the West Carroll Parish Police Jury, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the West Carroll Parish Clerk of Court's basic financial statements, and have issued my report thereon dated November 13, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the West Carroll 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Carroll Parish Clerk of Court's internal control. Accordingly, I do not express an opinion on the effectiveness of the West Carroll Parish Clerk of Court's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that I consider to be a significant deficiency.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2018

Compliance and Other Matters

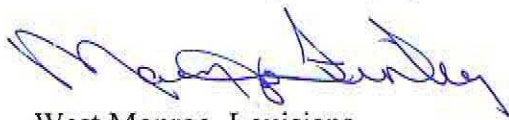
As part of obtaining reasonable assurance about whether West Carroll Parish Clerk of Court's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

West Carroll Parish Clerk of Court's Response to Findings

West Carroll Parish Clerk of Court's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. West Carroll Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the West Carroll Parish Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Carroll Parish Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana
November 13, 2018

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

Schedule of Audit Findings
For the Year Ended June 30, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the West Carroll Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of the West Carroll Parish Clerk of Court was disclosed during the audit.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2018-001 Inadequate Segregation of Duties

Condition: The segregation of duties is inadequate to provide effective internal control.

Criteria: Adequate segregation of duties is essential to a proper internal control structure..

Cause of Condition: The condition is due to economic limitations.

Effect of Condition: Not determined.

Recommendation: No action is recommended.

Response: Management has made changes to segregate duties in the office to help ensure a system of checks and balances.

WEST CARROLL PARISH CLERK OF COURT
Oak Grove, Louisiana

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

There were no findings reported in the audit report for the year ended June 30, 2017.



Robyn B. Creech
WEST CARROLL PARISH CLERK OF COURT
FIFTH JUDICIAL DISTRICT

November 13, 2018

TO: Louisiana Legislative Auditors

From: Robyn B. Creech

West Carroll Parish Clerk of Court

Re: Findings-Financial Statement – Year ended 2018

In response to 2018-001 Inadequate Segregation of Duties

As Clerk of Court, I am ultimately responsible for the finances of the office. We have segregated the duties as much as the size of our office will allow. My determination to provide effective internal control has been verified in that we have adequately maintained accuracy of all finances.

Thank you,


Robyn B. Creech

Independent Accountant's Report
on Applying Agreed-Upon Procedures

West Carroll Parish Clerk of Court
PO Box 1078
Oak Grove, LA 71263

To the West Carroll Parish Clerk of Court's Office

I have performed the procedures enumerated below, which were agreed to by the management of the West Carroll Parish Clerk of Court's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. Management of West Carroll Parish Clerk of Court's Office is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

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

The Clerk provided a policy and procedures manual to test against the agreed upon procedures.

- A. Budgeting, including preparing, adopting, monitoring, and amending the budget.

The budgeting policy and procedure is in compliance with the agree upon procedures guidelines.

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

The purchasing policies and procedures are not in compliance with the agreed upon procedures guidelines. The Clerk does not use purchase orders or requisitions. The Clerk initiates and approves all purchases. The outside accountant adds any new vendors at the direction of the Clerk. The policy and procedures outlines any purchases requiring compliance with the bid law.

C. Disbursements, including processing, reviewing, and approving

The purchasing policies and procedures are not in compliance with the agree upon procedures guidelines. The Clerk initiates and approves all purchases. The Clerk initiates and signs all checks.

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

The Clerk has a written policy and procedures for receipts, recording and preparing documents. The Clerk is not in accordance with AUP guidelines. All employees receive money which is processed in the same cash register. The Clerk does not have theft insurance coverage for the employees.

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

The Clerk has policies and procedures pertaining to payroll/personnel. It addresses several areas such as leave time, holiday time, compensatory time. The Clerk is responsible for tracking the leave time and other compensatory time. All employees track time worked and leave time taken. The Clerk is in compliance with the AUP guidelines.

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

The Clerk has written policies and procedures concerning contracting. The Clerk is in compliance with the AUP guidelines.

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

The Clerk has a written polices and procedures addressing credit cards. The card is in the name of the Clerk. The Clerk attaches the backup to the statements. The Clerk initiates and signs the checks. The Clerk in not in compliance with the AUP guidelines.

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

The Clerk has policies and procedures in place to cover travel and expense reimbursements. The Clerk is in compliance with the AUP guidelines.

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

The Clerk has ethics policies and procedures in place. All employees are required to take the online ethics course. There was no signature verification that the employees have read the agency policy on ethics.

- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Clerk has a written policies and procedures in place for debt service and is in compliance with the AUP guidelines. At this time, the Clerk has no outstanding debt.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. The West Carroll Parish Clerk of Court's office does not have a board or a finance committee therefore this procedure is not applicable.

BANK RECONCILIATIONS

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

The agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. The agency had a total of 21 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

For the 5 bank accounts selected above, it was determined that the bank reconciliations were dated to show evidence that they were reconciled within 2 months of the closing date of the statements.

- B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation(e.g., initialed and dated, electronically logged);

For the 5 bank accounts selected above, it was determined that the all 5 bank reconciliations were performed by the outside accountant, but there is not written documentation that the reconciliations were reviewed by anyone.

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

For the 5 bank accounts selected above, 3 of the 5 accounts had no outstanding reconciling items over 12 months. Two accounts had items over 12 months. Agency is in the process of researching and clearing old outstanding items.

COLLECTIONS

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

Agency provided me with a certified list of deposit sites and I verified that it was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

The agency has 1 collection register for all collections but the advanced deposit fund. Advanced deposit monies are kept in a deposit bag locked in a drawer and deposited once a week. Multiple deputies work out of the register and advanced deposit bag.

- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

The cash register is reconciled daily and deposits are made weekly. The deposit is made by an employee that is different from the employee that is reconciling the cash register. The advanced deposit monies are reconciled weekly.

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

The deposits are recorded in the cash register and reconciled daily, then deposits are made once a week and the deposits are entered into an excel spreadsheet which is sent to the outside accountant at the end of the month. The outside accountant posts to the quickbooks software at the end of the month.

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

The deposits are recorded in the cash register and reconciled daily, then deposits are made once a week and the deposits are entered into an excel spreadsheet which is sent to the outside accountant at the end of the month. The outside accountant posts to the quickbooks software at the end of the month.

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

The Clerk does not have employee theft insurance coverage on the employees.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

The Clerk does not use pre-numbered receipts, the cash register generates receipts when money is collected. Manual receipts are given for advanced deposit monies.

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

Deposit documentation was traced to the cash register information for the days receipts.

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

The deposit slips selected were traced to the bank statements for all accounts.

- D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

The Clerk's office makes weekly deposits.

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

The deposit slips selected were traced from the bank statements to the general ledger posting.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

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

Agency provided a complete list of locations that process payments and represented that the list was complete.

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

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

The Clerk does not use a purchase order system. The Clerk initiates and approves all purchases. The Clerk has ultimate approval on all purchases.

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

The Clerk initiates and signs all checks for the general fund. The chief deputy and another deputy reconcile the advanced deposit monies. The deputy initiates the checks and the chief deputy signs the checks for the advanced deposit fund. The Clerk has ultimate approval on all purchases.

- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The outside accountant adds any new vendors, at the direction of the Clerk.

- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Clerk initiates, signs and mails all checks for the general fund. The chief deputy mails all of the advanced deposit fund. The Clerk has ultimate approval on all purchases.

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

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

All disbursements selected to be tested had the proper support documentation.

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

The Clerk initiates and approves all purchases. The Clerk initiates and signs all checks. The outside accountant reconciles the bank statement for all of the funds. The Clerk is ultimately responsible for all disbursements of the Clerks office.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

- 12. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

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

The Clerk reviews all credit card statements and attaches proper support to the statement.

B) Observe that finance charges and late fees were not assessed on the selected statements.

For the card tested, there were no service charges or interest charges noted.

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

All transactions tested had the proper documentation. The Clerk initiates and approves all purchases. All transactions tested appeared to be for business purposes.

TRAVEL AND EXPENSE REIMBURSEMENT

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement form/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete.

A) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

The agency is using the established rate and that is what is being paid to the employees.

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

Any reimbursements tested for reimbursement at per diem rates, had the proper documentation and the employee was reimbursed the amount paid and it was noted the expenditure was for a business purpose. The Clerk reimbursements were not approved by anyone other than the Clerk.

C) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

All reimbursements were supported by proper documentation. No meal charges were tested.

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

The Clerk reviews and approves all travel reimbursements. No one other than the Clerk reviews the reimbursements for the Clerks travel expenses.

CONTRACTS

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

The West Carroll Clerk of Court had no contracts for the current period.

PAYROLL AND PERSONNEL

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

The West Carroll Clerk of Court provided a list of employees with salaries for the current period.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- A. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning

leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- B. Observe that supervisors approved the attendance and leave of the selected employees/officials.
- C. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

The West Carroll Clerk of Court tracks time on a yearly calendar, which is signed by the employee and the supervisor. Leave time is tracked by the Clerk.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

The West Carroll Clerk of Court provided a list of employees terminated during the test period. No excess compensations was received by the terminated employee.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

The West Carroll Clerk of Court appears to be paying taxes and contributions when required and filing reports when required.

ETHICS (EXCLUDING NONPROFITS)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:

- A) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Agency provided support for ethics training for the five randomly selected employees above.

- B) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Agency did not have any documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

The West Carroll Clerk of Court had no debt issued during the current testing period.

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

The West Carroll Clerk of Court had no debt outstanding for the current test period.

OTHER

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

The clerk's office has no known misappropriation of funds during the test period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Mary Jo Finley, CPA
November 13, 2018



Robyn B. Creech
WEST CARROLL PARISH CLERK OF COURT
FIFTH JUDICIAL DISTRICT

**RESPONSES TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON
PROCEDURES**

WRITTEN POLICIES AND PROCEDURES

1. (B), (C), (D), & (G) Due to the size of this agency, it is not cost effective to hire additional personnel for these purposes.

(I)Effective immediately, the Clerk will have each employee sign that they have read and received a copy of the Ethics Policy.

BANK RECONCILIATIONS

3. (B) Effective immediately, the Clerk will document the reviewing of all bank reconciliations performed by the outside accountant.

(C)This Agency is in the process of clearing all items that have been carried on the reconciliations for more than 12 months. This will be done by voiding the item and reissuing same to the correct owner or by sending the item to the State of Louisiana, Abandoned Property department.

COLLECTIONS

- 5.(A), (B), (C) & (D) Due to the size of this agency, it is not cost effective to hire additional personnel for these purposes.

6. Due to the size of this agency, it is not cost effective to purchase an anti-theft insurance policy. This office has never had a problem with theft, but will revisit this issue if it becomes necessary. However, the Clerk is looking into the cost of a theft insurance policy.

7. (A), & (D) Due to the size of this agency, it is not cost effective to hire additional personnel for these purposes.

DISBURSEMENTS

9. (A), (B), (C), & (D) Due to the size of this agency, it is not cost effective to hire additional personnel for these purposes.

10.(B) Due to the size of the agency, it is not cost effective to hire additional personnel for these purposes.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

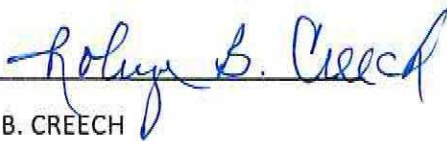
12. (A) The Clerk of Court is the only authorized user of the Credit Card and therefore is the one who authorizes all purchases charged on said card. The Clerk is ultimately responsible for all purchases for the office.

TRAVEL AND EXPENSE REIMBURSEMENT

14. (B) & (D) Due to the size of this agency, it is not cost effective to hire additional personnel for this purpose. The Clerk is ultimately responsible for all expenditures of the office.

ETHICS

20. (B) Effective immediately, the Clerk will have each employee sign that they have read and received a copy of the Ethics Policy.



ROBYN B. CREECH

WEST CARROLL CLERK OF COURT