

**OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2017
With Supplemental Information Schedules**

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

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Independent Auditor's Report

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Ouachita Parish Clerk of Court, a component unit of the Ouachita Parish Police Jury, as of June 30, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Ouachita 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 Ouachita Parish Clerk of Court's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Independent Auditor's Report,
June 30, 2017

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Ouachita Parish Clerk of Court as of June 30, 2017, 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 37 through 38, and the schedule of funding progress for the retiree healthcare plan on page 39, and the schedule of the Clerks' proportionate share of the net pension liability on pages 40 through 41, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Independent Auditor's Report,
June 30, 2017

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated December 11, 2017, on my consideration of the Ouachita 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 Ouachita Parish Clerk of Court's internal control over financial reporting and compliance.



West Monroe, Louisiana
December 11, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Management's Discussion and Analysis
June 30, 2017

As management of the Ouachita Parish Clerk of Court, I offer readers of the Ouachita Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Ouachita Parish Clerk of Court for the fiscal year ended June 30, 2017. 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 Ouachita 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 Ouachita 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 Ouachita 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 Ouachita 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 Ouachita 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 Ouachita 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 Ouachita 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 Ouachita Parish Clerk of Court's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Ouachita Parish Clerk of Court exceeded assets by \$4,374,000. The largest portion of the Ouachita 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 Ouachita 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>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$1,561,851	\$1,623,471
Receivables	98,909	73,257
Due from Advance Deposit Fund	264,563	341,414
Capital assets (net of accumulated depreciation)	<u>47,764</u>	<u>33,654</u>
TOTAL ASSETS	<u>1,973,087</u>	<u>2,071,796</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>1,511,533</u>	<u>781,523</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$3,484,620</u>	<u>\$2,853,319</u>
LIABILITIES		
Accounts payable	\$35,908	\$29,169
Due to General Fund	6,295	
Net pension liability	4,389,502	3,538,787
Net OPEB Obligation	<u>3,275,452</u>	<u>2,832,756</u>
TOTAL LIABILITIES	<u>7,707,157</u>	<u>6,400,712</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	151,463	305,524
NET POSITION		
Invested in capital assets, net of related debt	47,764	33,654
Unrestricted	<u>(4,421,764)</u>	<u>(3,886,571)</u>
TOTAL NET POSITION	<u>(4,374,000)</u>	<u>(3,852,917)</u>
	<u>\$3,484,620</u>	<u>\$2,853,319</u>

STATEMENT OF ACTIVITIES

	<u>2017</u>	<u>2016</u>
Judicial:		
Personal services	\$4,364,367	\$4,077,334
Operating services	584,058	523,417
Materials and supplies	114,306	91,110
Travel	48,423	51,209
Depreciation expense	<u>19,785</u>	<u>20,458</u>
Total Program Expenses	<u>5,130,939</u>	<u>4,763,528</u>
Program revenues:		
License and permits - marriage	17,721	19,780
Clerk's supplemental compensation	22,750	21,850
Court cost, fees, and charges	2,501,876	2,659,519
Fee for recording legal documents	1,516,992	1,485,979
Charges for copies	97,758	122,278
Charges for photocopier	139,403	130,740
Court attendance	9,488	11,496
Miscellaneous	<u>11,203</u>	<u>14,620</u>
Total program revenues	<u>4,317,191</u>	<u>4,466,262</u>
Net Program Expenses	<u>(813,748)</u>	<u>(297,266)</u>
General revenues:		
Interest earned	43,776	40,704
Other	<u>248,889</u>	<u>241,999</u>
Change in Net Position	(521,083)	(14,563)
Net Position - Beginning of year	<u>(3,852,917)</u>	<u>(3,838,354)</u>
Net Position - End of year	<u>(\$4,374,000)</u>	<u>(\$3,852,917)</u>

Financial Analysis of the Government's Funds

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

The General Fund's unreserved, undesignated fund balance of \$1,883,120 shows a decrease (of approximately \$125,853) from the prior year amount.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily to an increase in personal services and related benefits, materials and supplies, and travel and other charges and a decrease in capital outlay. Differences between revenues of the original budget and the final budget were due primarily to an increase in revenues for use of money and property and decreases in license and permits and fees, charges and commissions for services and an increase in use of money and property.

Capital Asset and Debt Administration

Capital assets. The Ouachita Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$47,764 (net of accumulated depreciation). This investment includes furniture and equipment. There was an increase in capital assets of \$33,895 and no deletions.

Long-term debt. The Ouachita Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2017 is \$3,275,452. Net Pension obligation associated with the Pension Plan at June 30, 2017 is \$4,389,502.

Requests for Information

This financial report is designed to provide a general overview of the Ouachita 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 Ouachita Parish Clerk of Court, P.O. Box 1862, Monroe, LA 71210.

December 11, 2017

BASIC FINANCIAL STATEMENTS

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

STATEMENT OF NET POSITION
June 30, 2017

ASSETS	
Cash and cash equivalents	\$1,561,851
Receivables	98,909
Due from other funds	264,563
Capital assets (net of accumulated depreciation)	47,764
TOTAL ASSETS	<u>1,973,087</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	<u>1,511,533</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$3,484,620</u></u>
LIABILITIES	
Accounts payable	\$35,908
Due to other Funds	6,295
Net pension liability	4,389,502
Net OPEB Obligation	3,275,452
TOTAL LIABILITIES	<u>7,707,157</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	151,463
NET POSITION	
Invested in capital assets, net of related debt	47,764
Unrestricted	<u>(4,421,764)</u>
TOTAL NET POSITION	<u>(4,374,000)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$3,484,620</u></u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2017

Judicial:	
Personal services	\$4,364,367
Operating services	584,058
Materials and supplies	114,306
Travel	48,423
Depreciation expense	19,785
Total Program Expenses	<u>5,130,939</u>
Program revenues:	
License and permits - marriage	17,721
Clerk's supplemental compensation	22,750
Court cost, fees, and charges	2,501,876
Fee for recording legal documents	1,516,992
Charges for copies	97,758
Charges for photocopier	139,403
Court attendance	9,488
Miscellaneous	11,203
Total program revenues	<u>4,317,191</u>
Net Program Expenses	<u>(813,748)</u>
General revenues:	
Interest earned	43,776
Other	248,889
Change in Net Position	(521,083)
Net Position - Beginning of year	<u>(3,852,917)</u>
Net Position - End of year	<u><u>(\$4,374,000)</u></u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2017

ASSETS

Cash and cash equivalents	\$1,561,851
Receivables	98,909
Due from other funds	<u>264,563</u>
TOTAL ASSETS	<u>\$1,925,323</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Due to other funds	\$6,295
Accounts payable	<u>35,908</u>
Total Liabilities	42,203
Fund Equity - fund balances - unassigned	<u>1,883,120</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,925,323</u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

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

For the Year Ended June 30, 2017

Total Fund Balances at June 30, 2017 - Governmental Funds (Statement C)		\$1,883,120
Deferred outflow of resources		1,511,533
Cost of capital assets at June 30, 2017	\$1,124,586	
Less: Accumulated depreciation as of June 30, 2017	<u>(1,076,822)</u>	47,764
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(4,389,502)
Net OPEB obligation		(3,275,452)
Deferred inflow of resources		<u>(151,463)</u>
Net Position at June 30, 2017 (Statement A)		<u><u>(\$4,374,000)</u></u>

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2017

REVENUES

Licenses and permits - marriage	\$17,721
Intergovernmental revenues -	
State grant-Clerk's supplemental compensation	22,750
Fees, charges, and commissions for services:	
Court costs, fees, and charges	2,501,876
Fee for recording legal documents	1,516,992
Charges for copies	97,758
Charges for use of photocopier	139,403
Court attendance	9,488
Miscellaneous	11,203
Use of money and property	43,776
Total revenues	<u>4,360,967</u>

EXPENDITURES

Current:	
General government - judicial:	
Personal services	3,706,138
Operating services	584,058
Materials and supplies	114,306
Travel and other charges	48,423
Capital outlay	33,895
Total expenditures	<u>4,486,820</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES (125,853)

FUND BALANCES AT BEGINNING OF YEAR 2,008,973

FUND BALANCES AT END OF YEAR \$1,883,120

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, 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, 2017

Total net change in fund balances - governmental funds (Statement D) (\$125,853)

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. 14,110

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. (442,696)

Non-employer contributions to cost-sharing pension plan 248,889

Pension expense (215,533)

Change in net position of governmental activities (Statement B) (\$521,083)

The accompanying notes are an integral part of this statement.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2017

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>NON SUPPORT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$7,126,124	\$5,197,875	\$166,414	\$12,490,413
Due from General Fund		6,295		6,295
Accounts receivable			7,838	7,838
TOTAL ASSETS	<u>\$7,126,124</u>	<u>\$5,204,170</u>	<u>\$174,252</u>	<u>\$12,504,546</u>
LIABILITIES				
Due to:				
General Fund	\$92,335		\$172,228	\$264,563
Accounts payable			2,024	2,024
Others	7,033,789	\$5,204,170		12,237,959
TOTAL LIABILITIES	<u>\$7,126,124</u>	<u>\$5,204,170</u>	<u>\$174,252</u>	<u>\$12,504,546</u>

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2017

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 Ouachita 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 Ouachita Parish Police Jury is the financial reporting entity for Ouachita 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 Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Notes to the Financial Statements (Continued)

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

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Ouachita 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 Ouachita 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 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.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Notes to the Financial Statements (Continued)

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

Governmental Fund Type

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

Fiduciary Fund Type - Agency Funds

The Advance Deposit, Registry of Court, Child Support and Judicial 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.

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:

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

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, 2017, the clerk of court has cash and cash equivalents (book balances) totaling \$14,052,264.

Demand deposits	\$12,000,889
Time deposits	2,050,000
Petty cash	1,375
Total	<u>\$14,052,264</u>

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

Bank Balances	<u>\$14,125,000</u>
Federal deposit insurance	\$1,400,079
Pledged securities (uncollateralized)	<u>13,386,440</u>
Total	<u>\$14,786,519</u>

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

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

F. CAPITAL ASSETS

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

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

G. ANNUAL AND SICK LEAVE

All employees of the clerk of court's office earn from five to twenty days of vacation leave and from one to ten days of sick leave each year, depending on length of service. Vacation leave must be taken during the year earned. Sick leave may be accumulated up to a maximum of twenty-five days. Any accumulated sick leave is forfeited upon termination 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'

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2017.

I. PENSION PLANS

The Ouachita 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 (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.

2. RECEIVABLES

The receivables of \$106,747 at June 30, 2017, are as follows:

<u>Class of receivables:</u>	<u>MAJOR FUND</u>	<u>AGENCY FUND</u>	<u>TOTAL</u>
Court costs, fees, and charges	\$56,853		\$56,853
Court attendance	824		824
Criminal fees	41,232		41,232
Other		\$7,838	7,838
Total	<u>\$98,909</u>	<u>\$7,838</u>	<u>\$106,747</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 2016	\$1,090,691
Additions	33,895
Deletions	<u>NONE</u>
Balance, June 30, 2017	\$1,124,586
Less accumulated depreciation	<u>(1,076,822)</u>
Net Capital Assets	<u>\$47,764</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 Ouachita 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, 2016.

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.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Notes to the Financial Statements (Continued)

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.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.

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, 2016, 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

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

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, 2016, the Clerk reported a liability of \$4,389,502 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the Clerks' proportion was 2.373 percent, which was an increase of .0136 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$215,533. At June 30, 2016, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$792,895	\$316,896
Change in system deferred outflows and inflows of resources	690,554	(165,111)
Changes in proportionate share	15,811	
Differences between Clerk of Court contributions and proportionate share of contributions		(322)
Contributions for measurement period	(411,480)	
Clerk of Court contributions subsequent to the measurement date	423,753	
Total	\$1,511,533	\$151,463

\$423,753 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:

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

Year ended June 30:	
2017	\$198,094
2018	198,094
2019	326,583
2020	213,836
Total	936,607

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2016
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense
Projected salary increases	5.0%
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
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2016 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

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

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, 2016.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Clerks' proportionate share of the net pension liability	\$6,246,180	\$4,389,502	\$2,813,556

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Employees are covered by the Louisiana Clerks' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 25 years of service at any age; or, attainment of age 55 and completion of 12 years of service. For employees hired after December 31, 2010, age 55 is changed to 60 and completion of 12 years of service. Based on historical experience, most employees wait until 25 years of service or until age 60 to enter D.R.O.P.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees and 50% for dependents. We have used the unblended rates provided and included the dental premiums in the medical portion of the valuation. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

Life insurance coverage is provided to retirees and is based on a blended rate (active and retired). The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

are reduced to 50% of the original amount at age 70. The employer pays 100% of the cost of the retiree life insurance, but the cost is based on blended active/retired rates. Since GASB Codification Section P50 requires the use of “unblended” rates, we have used the 94GAR mortality table described below to “unblend” the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Fund Policy. Until 2009, the Ouachita Parish Clerk of Court recognized the cost of providing post-employment medical and life benefits (Ouachita Parish Clerk of Court’s portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, Ouachita Parish Clerk of Court’s portion of funding cost for retired employees totaled \$251,671 and \$233,029, respectively.

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

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

	2017	2016
Normal Cost	\$328,722	\$316,079
30-year UAL amortization amount	416,153	400,147
Annual required contribution (ARC)	744,875	716,226

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

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

	2017	2016
Beginning Net OPEB Obligation	\$2,832,756	\$2,392,213
Annual required contribution	744,875	716,226
Interest on net OPEB obligation	113,310	95,689
ARC Adjustment	<u>(163,819)</u>	<u>(138,343)</u>
Annual OPEB cost (expense)	694,366	673,572
Contributions made	<u>(251,670)</u>	<u>(233,029)</u>
Increase in net OPEB obligation	442,696	440,543
Net OPEB obligation at end of year	<u><u>\$3,275,452</u></u>	<u><u>\$2,832,756</u></u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$694,367	34.24%	\$3,275,452
June 30, 2016	\$673,573	34.60%	\$2,832,756

Funded Status and Funding Progress. In 2017 and 2016, Ouachita Parish Clerk of Court made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$7,483,929 which is defined as that portion, as determined by a particular actuarial cost method (the Ouachita Parish Clerk of Court uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$7,483,929
Actuarial Value of Plan Assets (AVP)	NONE
Unfunded Act. Accrued Liability (UAAL)	\$7,483,929
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$2,266,027
UAAL as a percentage of covered payroll	330.27%

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

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Notes to the Financial Statements (Continued)

determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Ouachita Parish Clerk of Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Ouachita Parish Clerk of Court and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Ouachita Parish Clerk of court and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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

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

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 5%.

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

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

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

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued

OUACHITA PARISH CLERK OF COURT
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficient conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits. The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical and dental for the retirees and 50% for dependents. Since blended rates (active and retired) were provided before Medicare eligibility, the unblended rates were estimated and were used pursuant to GASB Codification Section P50's mandate. It was estimated that the pre-Medicare retiree rates were 130% of the blended rate. The post-Medicare rates provided were unblended and used as is.

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

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

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

6. CHANGES IN AGENCY FUND BALANCES

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

	Advance Deposit Fund	Registry of Court Fund	Non Support Fund	Total
Balance, July 1, 2016	\$6,749,098	\$3,662,872	NONE	\$10,411,970
Additions	2,836,654	3,191,787	122,396	6,150,837
Deletions	<u>(2,551,963)</u>	<u>(1,650,489)</u>	<u>(122,396)</u>	<u>(4,324,848)</u>
Balance June 30, 2017	<u>\$7,033,789</u>	<u>\$5,204,170</u>	<u>NONE</u>	<u>\$12,237,959</u>

7. LITIGATION AND CLAIMS

The Ouachita Parish Clerk of Court is not involved in any litigation at June 30, 2017, nor is she aware of any unasserted claims.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Notes to the Financial Statements (Continued)

**8. EXPENDITURES OF THE CLERK OF COURT
PAID BY THE PARISH POLICE JURY**

The Ouachita 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 Ouachita Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
License and permits-marriage	\$22,000	\$18,500	\$17,721	(\$779)
Intergovernmental revenues-				
State - Clerk's supplemental compensation	22,200	22,750	22,750	
Fees, charges, and commissions for services:				
Court costs, fees, and charges	2,376,800	2,363,098	2,501,876	138,778
Fee for recording legal documents	1,650,000	1,525,000	1,516,992	(8,008)
Charges for copies	115,000	97,000	97,758	758
Charges for use of photocopier	140,000	135,000	139,403	4,403
Court attendance	9,000	8,000	9,488	1,488
Miscellaneous		2,706	11,203	8,497
Use of money and property	36,000	41,000	43,776	2,776
Total revenues	<u>4,371,000</u>	<u>4,213,054</u>	<u>4,360,967</u>	<u>147,913</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and related benefits	3,726,735	3,800,000	3,706,138	93,862
Operating services	564,100	564,100	584,058	(19,958)
Materials and supplies	100,000	120,000	114,306	5,694
Travel and other charges	51,692	54,000	48,423	5,577
Capital Outlay	116,145	75,000	33,895	41,105
Total expenditures	<u>4,558,672</u>	<u>4,613,100</u>	<u>4,486,820</u>	<u>126,280</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(187,672)	(400,046)	(125,853)	274,193
FUND BALANCE AT BEGINNING OF YEAR	<u>1,700,000</u>	<u>2,038,142</u>	<u>2,008,973</u>	<u>29,169</u>
FUND BALANCE AT END OF YEAR	<u>\$1,512,328</u>	<u>\$1,638,096</u>	<u>\$1,883,120</u>	<u>\$303,362</u>

See accompanying note to budgetary comparison schedule.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2017

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 Ouachita 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.

Ouachita Parish Clerk of Court
Retiree Healthcare Plan
June 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$6,316,696	\$6,316,696	0.00%	\$1,860,467	339.52%
June 30, 2012	\$0	\$4,243,579	\$4,243,579	0.00%	\$2,058,423	206.16%
June 30, 2015	\$0	\$7,196,086	\$7,196,086	0.00%	\$2,193,658	328.04%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations.

Ouachita Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
June 30, 2017

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, 2014	2.368190%	\$3,194,365	\$2,134,316	149.67%	79.37%
June 30, 2015	2.239142%	\$3,538,787	\$2,165,683	163.40%	78.13%
June 30, 2016	2.372737%	\$4,389,502	\$2,230,276	196.81%	74.17%

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

**Ouachita Parish Clerk of Court
Schedule of Employer Contributions
June 30, 2017**

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, 2014	\$405,520	\$405,520	\$0	\$2,134,316	19.00%
June 30, 2015	\$411,480	\$411,480	\$0	\$2,165,683	19.00%
June 30, 2016	\$423,753	\$423,753	\$0	\$2,230,276	19.00%

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

OTHER SUPPLEMENTARY INFORMATION

PART III

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2017

LOUISE BOND, CLERK OF COURT

PURPOSE	AMOUNT
Salary	\$122,671
Expense Allowance	14,547
Supplemental Compensation	22,800
Election expense	2,400
Benefits-insurance	10,487
Benefits-retirement	32,604
Car Allowance	23,953
Per Diem	828
Registration fees	1,300
Housing and lodging	2,236
Membership dues-Clerk's Association	2,303

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2017

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 funds which have been received from the Louisiana Department of Social Services after judgement has been rendered in court litigation. The funds are disbursed to the appropriate bodies and others.

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in
Unsettled Deposits Due to Others
For the Year Ended June 30, 2017

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	NON SUPPORT FUND	TOTAL
UNSETTLED DEPOSITS DUE TO OTHERS AT JUNE 30, 2017	<u>\$6,749,098</u>	<u>\$3,662,872</u>	NONE	<u>\$10,411,970</u>
ADDITIONS				
State of Louisiana - non support			\$122,396	122,396
Suits and successions	2,836,654	3,168,900		6,005,554
Interest earned on investments		22,887		22,887
Total additions	<u>2,836,654</u>	<u>3,191,787</u>	<u>122,396</u>	<u>6,150,837</u>
Total	<u>9,585,752</u>	<u>6,854,659</u>	<u>122,396</u>	<u>16,562,807</u>
REDUCTIONS				
Clerk's costs (transferred to General Fund)	1,542,805		91,338	1,634,143
Settlements to litigants	437,821	1,650,489		2,088,310
Curators fees	62,580			62,580
Stenographer's fees	27,014			27,014
Sheriff's fees	287,477		31,058	318,535
Judges supplemental fund	93,647			93,647
Other fees	28,961			28,961
Other reductions	71,658			71,658
Total reductions	<u>2,551,963</u>	<u>1,650,489</u>	<u>122,396</u>	<u>4,324,848</u>
UNSETTLED DEPOSITS DUE TO OTHERS AT JUNE 30, 2017	<u>\$7,033,789</u>	<u>\$5,204,170</u>	NONE	<u>\$12,237,959</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.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

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*

HONORABLE LOUISE BOND
OUACHITA PARISH CLERK OF COURT
Monroe, 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 Ouachita Parish Clerk of Court, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Ouachita Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 11, 2017.

Internal Control Over Financial Reporting

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

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2017

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

Compliance and Other Matters

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

Purpose of this Report

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



West Monroe, Louisiana
December 11, 2017

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

OUACHITA PARISH CLERK OF COURT
Monroe, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

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

MARY JO FINLEY, CPA, INC.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Ouachita Parish Clerk of Court
PO Box 1862
Monroe, LA 71210

To the Ouachita Parish Clerk of Court's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Ouachita 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, 2016 through June 30, 2017. Management of Ouachita 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. The Ouachita Parish Clerk of Court has no written policies and procedures for the test period.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

2. The Ouachita 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 from management and management's representation that the listing is complete.

The agency provided me with a certified list of all bank accounts.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

The agency had a total of 20 bank accounts, so a random sample of 7 bank accounts were selected to test the following:

- A) Bank reconciliations have been prepared;

For the 7 bank accounts selected above, all were reconciled each month for the period tested.

- B) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

For the 7 bank accounts selected above, it was determined that the bank reconciliations are prepared by the bookkeeper and reviewed by an outside consultant.

- C) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more that 6 months as of the end of the fiscal period.

For the 7 bank accounts selected above, 5 of the 7 accounts had no outstanding reconciling items over six months. Two of the seven had reconciling items over 6 months old.

COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

The agency has 1 collection location. It was selected for testing for the following:

- A) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The clerk's office has a risk management policy but it does not cover employee theft. The agency has 8 cash drawers. Multiple deputies work out of each of the cash drawers. All collection payments at the main counter are posted to the fund when received by the deputies. One of the deputies reconciles the cash drawer and makes the deposit. After the deposit is made, the bookkeeper posts the deposits to the GFA accounting system at the end of the month. The other cash drawers are not entered into the accounting system upon collection. Multiple deputies work out of the same cash drawers. The cash drawers are turned in to the front desk daily and a deposit is made. After the deposit is made, the bookkeeper posts the deposits to the GFA accounting system at the end of the month. Bank reconciliations are prepared by the bookkeeper and reviewed by an outside consultant.

- B) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The main cash drawer is reconciled daily and deposits are made daily. The deposit is made by one of the accounting employees. The other cash drawers are turned in daily to the front desk and deposits are made daily. Several deputies take the cash drawers collections to the front desk. The collections at the main cash drawer are posted to the accounting system when collected. The other cash drawer collections are posted to the accounting system when deposits are made. The deposits are posted by the bookkeeper to the GFA accounting system at the end of the month.

- C) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was January 30, 2017 thru February 3, 2017, which was tested for the following:

- ▶ Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The 4 funds were tested for deposits of collections. For the week tested, 3 of the 4 funds made daily deposits.

- ▶ Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

The 4 funds were tested for deposits of collections. All collections for the week tested had proper documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

The agency has no written policies or procedures to determine completeness of collections or revenue sources.

DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/P-CARD PURCHASES OR PAYMENTS)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Agency provided a complete year to date general ledger for every fund and represented that the general ledgers were complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

A) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

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

B) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The Clerk does not use a purchase order system. The Clerk's secretary initiates all purchases and the Clerk has ultimate approval on all purchases.

C) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Of the disbursements selected to be tested, all were processed with all of the required support. The Clerk does not use purchase orders or requisitions.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Ouachita Clerk uses GFA software which does not allow them to restrict any user from adding vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The accounts payable clerk prepares all checks and the Clerk signs all checks. The bookkeeper reconciles all of the bank accounts and an outside consultant reviews all of the bank reconciliations. The Clerk has ultimate approval on all purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those person that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The unused checks are stored in a secure location, but are not restricted to the employees with signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The Ouachita Clerk's office does not use a signature check stamp.

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

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

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

15. Using the listing prepared by management, randomly select 1 card, the only card the Clerk's office has (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

From the list in #14, 1 credit card (the only card the Clerk has) was randomly selected to test the following:

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- A) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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 bookkeeper reviews all credit card statements and attaches proper support to the statement, then the Clerk reviews and approves it for payment. The accounts payable deputy prepares the checks and the Clerk signs the check.

- B) Report whether finance charges and/or late fees were assessed on the selected statements.

For the card tested, there were service charges and interest charges noted for one month.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for the card selected (i.e. each of the cards should have one month of transactions subject to testing).

- A) For each transaction, report whether the transaction is supported by:

- ▶ An original itemized receipt (i.e., identifies precisely what was purchased)

All of the transactions tested had the original itemized receipts.

- ▶ Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

The transactions tested appear to be for business purposes.

- ▶ Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There is no other documentation required for credit card purchases.

- B) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

There were no transactions on the credit card that required compliance with the public bid law. The agency had no written policies or procedures concerning purchases/disbursements during the test period.

- C) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of

value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

For the card selected there was no evidence of Article 7, Section 14 violations.

TRAVEL AND EXPENSE REIMBURSEMENT

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

The agency provided me with a certified list of employees who received travel or related expense reimbursements during the testing period.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Agency has no written policy and procedures for travel. The transactions selected to test were compared to the U.S. General Services Administration policies. None of the agencies transaction rates tested exceeded the GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expense selected:

The only 2 employees with travel costs during the test period were selected and tested for the following:

- A) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

The agency had no written policies or procedures for travel, so amounts selected were compared to the GSA rates, no exceptions noted.

B) Report whether each expense is supported by:

- ▶ An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

All travel reimbursements tested had original itemized receipts.

- ▶ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

All travel reimbursements tested were determined to be for business purposes.

- ▶ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No other documentation is required by the agency for travel reimbursements.

C) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No violations of Article 7 Section 14 were noted during testing.

D) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Travel reimbursements were approved by the Clerk.

CONTRACTS

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Agency provided a certified list of all contracts in effect during the test period.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices:

The contracts that were paid the most money were selected from the list of contracts from #20 and tested for the following:

A) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Agency has a formal/written contract for all selected to be tested.

B) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- ▶ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- ▶ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

For the contracts tested, none of them required compliance with the public bid law. The agency did solicit quotes to get the best deal for the Clerk's office.

C) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

None of the contracts selected were amended.

D) Select the largest payment from each of the five contracts, obtain the supporting invoices, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The contract payments that were tested were in compliance with the contract terms and conditions.

E) Obtain/review contract documentation and board minutes and report whether there is a documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

This is not applicable to the Clerk.

PAYROLL AND PERSONNEL

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Agency provided a certified list of all employees with their authorized salaries. Five employees were selected to test the following:

- A) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

The 5 employees chosen were paid in accordance with the terms and conditions of their employment.

- B) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

All changes to the salaries of the 5 employees chosen were approved by the Clerk in writing.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- A) Report whether all selected employees/official 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.)

Of the employees selected, all employees that are eligible to earn leave time documented their daily attendance. The agency tracks leave time earned and used, to make sure no excess leave time is taken. Employees are not allowed to accumulate leave time and not paid for any leave time upon termination.

- B) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Of the employees that were selected, the supervisors approved the employees attendance and leave time.

- C) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The agency monitors leave time earned and used and it is tracked through the payroll software. No leave time is accrued and paid upon termination.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Agency provided a list of employees terminated during the testing period. The agency certified that it was complete. The two employees terminated with the largest payments were selected and tested to determine that their termination payments were in accordance with the policy - no exceptions noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

During testing of the agency it was determined that the Ouachita Clerk of Court's office is submitting payroll tax, retirement contributions and required forms by the required deadlines.

ETHICS (EXCLUDING NONPROFITS)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

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

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

There were no ethics violations reported to the Clerk's office during the test period.

DEBT SERVICE (EXCLUDING NONPROFIT)

The Clerk has no debt outstanding, therefore this section is not applicable.

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

The Ouachita Clerk of Court had no debt outstanding during the test period that required bond commission approval.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Ouachita Clerk of Court has no debt outstanding during the test period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The Ouachita Clerk of Court has no debt outstanding, therefore, this does not apply.

OTHER

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation 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.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises and a link to the notice was posted on the website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

There were no other exceptions noted during procedures.

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
December 29, 2017

OUACHITA PARISH CLERK'S OFFICE
LOUISE BOND, CLERK OF COURT

301 South Grand Room 104
Monroe, LA 71201
318.327.1444

P.O. Box 1862
Monroe, LA 71210-1862
318.327.1462 (fax)

December 29, 2017

Mary Jo Finley, CPA
116 Professional Drive
West Monroe, LA 71291

Following is the Ouachita Parish Clerk of Court's response to the report of exceptions found during your testing performed in accordance with the LLA's Statewide Agreed-Upon Procedures:

1. We agree that written policies and procedures are needed and we are in the process of committing our policies and procedures to writing.

- 4(c) We are in the process of researching and clearing up any checks that have been outstanding for more than 6 months.

- 6(A) We are in the process of looking at getting a theft policy. It would not be cost effective for each employee to operate their own cash draw

- 6(B) It would not be cost effective for each employee to operate their own cash draw.

7. Written policies and procedures are being developed to determine completeness of collections and revenue sources.

10. Our Software does not allow us to restrict users from adding vendors, however the clerk must approve any new vendor(s).

12. Checks are kept in a secured location. However, do to the office setup, we don't have enough space to secure checks away from accounting department.

- 15.(B) We will make sure the Credit Card statements are paid in a timely manor.

18. Written policies and procedures are being developed for travel and expense reimbursements.

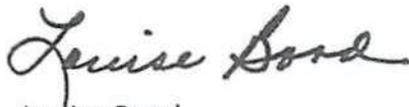
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19.(A) Written policies and procedures are being developed for travel and expense reimbursements.

Regards,



Louise Bond,
Clerk of Court