

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Financial Statements
With Supplemental Information Schedules
June 30, 2017

POINTE COUPEE PARISH CLERK OF COURT
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J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

The Honorable Lanell S. Landry
Pointe Coupee Parish Clerk of Court
New Roads, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental-type activities of the Pointe Coupee Parish Clerk of Court, a component unit of the Pointe Coupee 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 Pointe Coupee Parish Clerk of Court's basic financial statements as listed in the table of contents. We have also audited each fiduciary fund type of the Pointe Coupee Parish Clerk of Court, as of and for the year ended June 30, 2017, as displayed in the Clerk of Court's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities as well as each fiduciary fund type of the Pointe Coupee Parish Clerk of Court, a component unit of the Pointe Coupee Parish Police Jury, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance 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 budgetary comparison schedule and schedules of funding progress, employer's share of net pension liability and employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context, we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Matters - Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pointe Coupee Parish Clerk of Court's basic financial statements. The combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.



In our opinion, the combining statement of fiduciary net position, schedule of changes in fiduciary net position and schedule of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2018, on our consideration of the Pointe Coupee Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Pointe Coupee Parish Clerk of Court's internal control over financial reporting and compliance.

J. Walker & Company, APC
Lake Charles, Louisiana
May 21, 2018



Basic Financial Statements

POINTE COUPEE PARISH CLERK OF COURT

New Roads, Louisiana

Statement of Net Position

Year Ended June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 87,307
Investments	908,825
Receivables, net	49,364
Deposit fund	103
Due from advance	25,769
Prepaid insurance	249
Capital assets, net of accumulated depreciation	<u>32,286</u>
Total Assets	<u>1,103,903</u>
DEFERRED OUTFLOW OF RESOURCES	
Related to pension	206,445
LIABILITIES	
Current Liabilities	
Accounts payable	20,604
Accrued liabilities	9,208
Noncurrent Liabilities	
Net OPEB obligations	351,664
Net pension liability	<u>833,154</u>
Total Liabilities	<u>1,214,630</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pension	79,510
NET POSITION	
Net investment in capital assets	32,286
Unrestricted	<u>(16,078)</u>
Total Net Position	<u>\$ 16,208</u>

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

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Statement of Activities
Year Ended June 30, 2017

Activities	Expense	Program Revenue		Net (Expense) Revenue Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 954,793	\$ 839,740	\$ 24,000	\$ (91,053)
Total governmental activities	<u>954,793</u>	<u>839,740</u>	<u>24,000</u>	<u>(91,053)</u>
General revenues:				
Interest and investment earnings				2,328
Miscellaneous				19,471
Total general revenues				<u>21,799</u>
Change in net position				(69,254)
Net position - July 1, 2016				85,462
Net position - June 30, 2017				<u>\$ 16,208</u>

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

POINTE COUPEE PARISH CLERK OF COURT

New Roads, Louisiana

**BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

ASSETS

	<u>General Funds</u>
Assets:	
Cash and cash equivalents	\$ 87,307
Investments	908,825
Accounts receivable, net	46,526
Due from other governments - State of Louisiana	2,838
Accrued interest receivable	103
Due from advance deposit fund	<u>25,769</u>
Total Assets	<u>\$ 1,071,368</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 20,604
Accrued liabilities	9,208
Fund Balance:	
Assigned	465,421
Unassigned	<u>576,135</u>
Total Liabilities and Fund Balances	<u>\$ 1,071,368</u>

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

**POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana**

**Reconciliation of the Governmental Funds Balance Sheet
To the Government-Wide Statement of Net Position
Year Ended June 30, 2017**

Total Fund Balances – Governmental Funds	\$ 1,041,556
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation reported on the Statement of Net Position	32,286
Prepaid insurance premiums in governmental activities are recognized as expenditures for governmental funds	249
Deferred inflows and outflows of contributions for the Clerk's employees' retirement system are not available resources and, therefore, are not reported in the governmental funds balance sheets	
Pension related inflows	(79,510)
Pension related outflows	206,445
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheets	
OPEB Obligations	(351,664)
Net Pension Liability	<u>(833,154)</u>
Total Net Position – Governmental Activities	\$ <u>16,208</u>

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

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2017

REVENUES

Licenses and permits - marriage	\$ 2,880
Intergovernmental revenues	
Clerk's supplemental compensation	24,000
Charges for services:	
Court costs and fees	402,119
Recording fees	272,182
Certified copies and photocopies fees	67,831
Public search fees	87,892
Election/qualifying fees	6,835
Miscellaneous	19,471
Use of money and property:	
Investment income	<u>2,328</u>
 Total Revenues	 885,538

EXPENDITURES

Current - general government - Judiciary	
Salaries and related benefits	706,254
Insurance - other	4,822
Office supplies and expenses	32,868
Postage and shipping	6,061
Equipment rental and expenses	10,273
Recording costs	29,198
Election expense	5,505
Technical services and fees	43,367
All other	8,442
Special projects - assigned funds	3,829
Capital outlays special projects - Assigned funds	
Capital outlays	<u>27,598</u>
 Total Expenditures	 878,217
 Change in Fund Balance	 7,321
Fund Balance, beginning	<u>1,034,235</u>
 Fund Balance, ending	 <u>\$ 1,041,556</u>

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

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2017

Net Change in Fund Balance – Governmental Funds (General Fund)	\$ 7,321
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Governmental funds report capital outlays as expenditures in the individual fund, however, in the Statement of Activities, the cost of those assets is allocated over their estimated lives as depreciation</p>	
Capital Outlay	27,598
Depreciation Expense	8,398
<p>Differences between amounts reported as expenses in the Statement of Activities and those reported as expenditures in the fund financial statements</p>	
OPEB obligation payable	(41,274)
Pension expense not requiring the use of current economic resources, and therefore, not recorded as a fund expenditure	(71,297)
Non Employer's contributions to the clerk employees pension plan	-
Change in net position (governmental-wide financial statements)	\$ (69,254)

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

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana

Statement of Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2017

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,092,005	\$ 27,652	\$ 1,119,657
Total Assets	\$ 1,092,005	\$ 27,652	\$ 1,119,657
Liabilities			
Due to general fund	\$ 25,769	\$ -	\$ 25,769
Held in trust for others	<u>1,066,236</u>	<u>27,652</u>	<u>1,093,888</u>
Total Liabilities	\$ 1,092,005	\$ 27,652	\$ 1,119,657

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

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Introduction

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

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. As an independently elected official, the Clerk of Court is solely responsible for the operations of his/her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Pointe Coupee Police Jury is the financial reporting entity for Pointe Coupee Parish. The Clerk, therefore, is considered a component unit of the Pointe Coupee Police Jury. It has been determined that the financial statements of the Police Jury would be misleading if data of the Clerk is not included because of the nature or significance of the relationship. The accompanying financial statements, however, present only the transactions of the Pointe Coupee Parish Clerk of Court.

Basis of Presentation

The financial statement of the Pointe Coupee Parish Clerk of Court have been prepared in conformity with 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.

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 and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the clerk except the fiduciary funds. Fiduciary Funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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: net investment in capital assets; 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 are derived from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

Allocation of Indirect Expenses

The Clerk reports all direct expenses by function in the Statement of Activities. 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 direct expenses of each function.

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 designated to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and 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 defined as a separate fiscal and 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 and focus on providing services to the public as opposed to proprietary funds where the focus is on recovering the cost of providing services to the public and 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:

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Governmental Fund Type:

General Fund –The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and accounts 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 operation expenditures are paid from this fund.

Fiduciary Fund Type:

Agency Funds - The Advance Deposit and Registry of Court Funds 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.

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.

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

Basis of Accounting/Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide statement of net position and the statement of activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements the “current financial resources” measurement focus of the “economic resources” measurement focus is used as appropriate. The government fund utilized a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources at the end of the period.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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 is related to timing of the measurement made regardless of the measurement focus applied.

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.

Modified Accrual

The amounts reflected in the 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 Balance 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 modified accrual basis 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. The governmental funds use the following practices in recording revenues and expenditures.

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

Interest income on time deposits are recorded when time deposits have matured and the income is available. All other revenue is recorded when received.

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

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Budget Practices

The Clerk of Court annually adopts a budget for the General Fund. The budgetary practices include public notice of the proposed budget at least 10 days prior to public hearing, public inspections of the proposed budget and public hearings of the budget.

The proposed revised budget was prepared in accordance with generally accepted accounting principles (GAAP). The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end.

Amounts budgeted for “special projects” are considered to be used from assigned fund balance.

Encumbrances

The Clerk does not employ encumbrance accounting.

Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Investments include amounts in time deposits and those investments with original maturities that do not exceed 90 days. 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 their principal offices in Louisiana.

Clerk’s Fees Transferred from Advance Deposit Agency Fund

These fees represent revenue to the Clerk of Court earned from everyday operations for litigants. These fees are collected by a transfer of litigant’s money deposited in the Advance Deposit Fund to the Salary Fund.

Compensated Absences

Vacation leave accrues as follows:

1. Upon completion of six month introductory period – 5 days per year
2. After 2 years continuous service – 10 days per year
3. After 10 years continuous service – 15 days per year (allotted at 6 months in intervals of 2 weeks and 1 week)

Vacation leave is not cumulative; any unused vacation not used by the calendar year end is forfeited unless the Clerk gives special approval. Personal/Sick leave is granted to all full-time employees. Leave is credited at the rate of one full day for each calendar month of continuous service.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are capitalized at a historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

Description	Estimated Lives
Computer Equipment	3 Years
Office Equipment	5 Years
Furniture & Fixtures	7 - 10 Years

Use of Estimates

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

Net Position/Fund Balances

Government-wide and net position displayed in three components:

Net Investment in Capital Assets

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Unrestricted Net Position

All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable

Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

Amounts for which constraints have been placed on the use of resources are externally imposed by creditors (such as through debt covenants) grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed

Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the Clerk. These amounts cannot be used for any other purpose unless the Clerk removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that exiting resources have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts that are designated by the Clerk for a particular purpose in accordance with GASB Statement 54. The intent of an assigned fund balance should be expressed by the Clerk of Court that has the authority to assign amounts to be used for such specific purposes.

Unassigned

All amounts not included in other spendable classifications.

When fund balance resources are available for a specific purpose in multiple classifications, the Clerk would use the most restrictive funds first. However, it reserves the right to selectively spend unassigned resources first and to defer the use of other classified funds.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are capitalized at a historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

Description	Estimated Lives
Computer Equipment	3 Years
Office Equipment	5 Years
Furniture & Fixtures	7 - 10 Years

Use of Estimates

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

Net Position/Fund Balances

Government-wide and net position displayed in three components:

Net Investment in Capital Assets

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Rating AA+, Long Term Outlook: Stable

Note 2 – Cash, Cash Equivalents and Investments (continued)

At June 30, 2017, cash equivalents include \$237,501 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2017 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in the physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governmental entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2A7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- *Credit risk:* LAMP is rated AAAM by Standard & Poor's.
- *Custodial credit risk:* LAMP's participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of credit risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest rate risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is .08% as of June 30, 2014.
- *Foreign currency risk:* Not applicable to 2A7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of pool shares.

LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with SEC as an investment company.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Note 2 – Cash, Cash Equivalents and Investments

At June 30, 2017 the Clerk of Court has the following cash and investments (book balances).

	Governmental Funds	Fiduciary Funds	Total
Petty cash and change funds	\$ -	\$ -	\$ -
Demand deposits	87,307	-	87,307
Money market account	-	1,119,657	1,119,657
	<u>\$ 87,307</u>	<u>\$ 1,119,657</u>	<u>\$ 1,444,465</u>
Certificates of deposit	\$ 536,286	\$ -	\$ 536,286
U.S. Government Bonds	135,038	-	135,038
LAMP	237,501	-	237,501
	<u>\$ 908,825</u>	<u>\$ -</u>	<u>\$ 908,825</u>

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

Bank balances	<u>\$ 2,172,979</u>
FDIC Insurance	\$ 800,000
Pledged Securities	1,003,047
Government backed	<u>372,539</u>
	<u>\$ 2,175,586</u>

Deposits in the amount of \$1,003,047 were exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the Clerk of Court's name (considered to be Category 3 deposits).

Credit Risk

The Clerk's investment in Federal Home Loan Mortgage Corporation Notes have a Moody's Long Term

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 8 – Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Clerk of Court for the year ended June 30, 2017:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Net OPEB Obligation	\$ 310,390	\$ 88,742	\$ 47,468	\$ 351,664
Net Pension Liability	<u>740,735</u>	<u>92,419</u>	<u>-</u>	<u>833,154</u>
	<u>\$ 1,051,125</u>	<u>\$ 181,161</u>	<u>\$ 47,468</u>	<u>\$ 1,184,818</u>

Note 9 – Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description - Substantially all employees of the Clerk, except part-time and temporary employees, are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The fund was established for the purpose of providing retirement allowance 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.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 9 – Pension Plan (continued)

Funding Policy – Plan members are required by state statute to contribute 8.25% of their annual covered salary and Clerk of Court is required to contribute at an actuarially determined rate. The rate as of June 30, 2017 was 19% of annual covered payroll. The Clerk of Court has elected to pay the member's share of the required contribution to 8.25% of their annual covered salary. Contributions to the Pointe Coupee Parish Clerk of Court System also includes one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Pointe Coupee Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Pointe Coupee Parish Clerk of Court's contributions to the System for the years ending June 30, 2017, 2016, and 2015 were \$79,088, \$78,102, and \$84,616 respectively.

Retirement Benefits – All regular employees who are under the age of 60 at the time of original employment are required to participate in the plan. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. Final average compensation for those hired prior to July 1, 2006, is based on the employee's highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those hired on or after that date, in accordance with Act 273 of the 2010 regular session, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last 6 years of measurement. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. Act 273 increased retirement age to age 60 with an accrual rate of 3% for those hired on or after January 2, 2011.

Disability Benefits - The plan also provides disability benefits, established by La. R.S. 11:218. Effective through June 30, 2008, a member who has been certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

(1) A member who is totally and permanently disabled solely as a result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, 2.5 percent of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$25 for each year of his credited service or 2/3 of his monthly average final compensation, whichever is less.

(2) A member who has 10 or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to 3% of his monthly average final compensation multiplied by the number of years of credited service; however, such monthly benefit shall not exceed \$35 for each year of credited service or 80% of his monthly average final compensation, whichever is less.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 9 – Pension Plan (continued)

Effective for applications approved or payable on or after July 1, 2008, employees that have been officially certified as totally and permanently disabled pursuant to La. R.S. 11:218 and either (1) the disability was caused solely as a result of injuries sustained in the performance of his/her official duties; or (2) the employee has at least 10 years of service credit are eligible for disability benefits. The member shall be paid the greatest of 40% of their monthly average final compensation or 75% of their monthly regular retirement benefit computed pursuant to La. R.S. 11:1521(c).

For members leaving covered employment before attaining early retirement age but after completing 12 years of credited service become eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his accumulated contributions

Survivor Benefits - If a member who has less than 5 years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If a member has 5 or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately reduced 1/4 of 1% for each month by which payments commence in advance of the member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid 1/2 of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan (DROP). In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in DROP for up to 36 months and defer the receipt of benefits. During the year ended June 30, 2007, participants had to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefit that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 9 – Pension Plan (continued)

Upon termination of employment at the end of the specified period of participation, a participant may receive, at his option, a lump sum payment. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from DROP equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal methods of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments - The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of \$40 per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977, or the member's retirement date if later. In lieu of granting a cost of living increase as described herein, the statutes allow the Board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1. In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Employer Contributions – According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, that actual employer contribution rate was 19%.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

POINTE COUPEE PARISH CLERK OF COURT

New Roads, Louisiana

Notes to the Financial Statements

June 30, 2017

Note 9 – Pension Plan (continued)

The allocation method used in determining each employer’s proportion was based on each employer’s contributions to the Fund during the fiscal year ended June 30, 2017 as compared to the total of all employers’ contributions received by the Fund during the fiscal year ended June 30, 2017. The best estimate of geometric real rates of return for each major asset class included in the Fund’s target asset allocation as of June 30, 2016, is summarized in the following table:

	LACRF*	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.25%
Domestic Equity:		
Large cap domestic equity	21.00%	4.55%
Non-large cap domestic equity	7.00%	4.25%
International Equity:		
Large cap international equity	14.00%	5.25%
Small cap international equity	6.50%	5.00%
Emerging markets	6.50%	7.25%
Real estate	10.00%	5.50%
Master limited partnerships	5.00%	6.50%
Hedge funds	10.00%	4.50%
	100.00%	

* Arithmetic real rates of return

Pension Liabilities, Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions - At June 30, 2017, the Clerk reported a liability of \$833,154 for its proportionate share of the Fund's 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 Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Clerk's proportion at that date was .493813%, which was an increase of .0418 from its proportion measured as of June 30, 2016.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 9 – Pension Plan (continued)

Pension expense of \$86,618 was recognized for the year ended June 30, 2017. Deferred outflows and inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual results	\$ 8,502	\$ -
Changes of assumptions	51,312	-
Net difference between projected and actual earnings on plan investments	-	28,359
Changes in proportion and differences between Clerk's contributions and proportionate share of contributions	2,884	51,151
Clerk's contributions subsequent to the measurement date	<u>143,747</u>	<u>-</u>
 Ending Balance	 <u>\$ 206,445</u>	 <u>\$ 79,510</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan as follows:

<u>Year ending June 30,</u>	
2018	\$ (1,940)
2019	(1,940)
2020	(1,940)
2021	<u>24,187</u>
	 <u>\$ 18,367</u>

Schedule of Pension Amounts by Employer – The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocation included in the schedule of employer allocation.

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

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 9 – Pension Plan (continued)

The components of the net pension liability of the Fund’s employers as of June 30, 2017, are as follows:

	<u>2016</u>
Total Pension Liability	\$ 716,218,412
Plan Fiduciary Net Position	<u>(531,220,994)</u>
Total Net Pension Liability	<u>\$ 184,997,418</u>

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

Investment rate of return	7.0%, net of investment expenses, including inflation	
Projected salary increase	5.0%	
Expected remaining service life	5 years	

Mortality rates were based on the RP-2000 combined healthy mortality table (set back 4 years for males and 3 year for females) and the RP-2000 disabled lives mortality table. 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.

Discount Rate - The discount rate used to measure total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Clerk’s Proportionate Share of Net Pension Liability to Changes in Discount Rate. The following presents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% decrease	6.0%	\$ 263,247,880
Current discount rate	7.0%	184,997,418
1% increase	8.0%	118,578,494

Additional information can be obtained in the annual publicly - available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Feliciana, Louisiana 70816, by calling (225) 293-1162 or obtained on the website - www.laclerksofcourt.org.

POINTE COUPEE PARISH CLERK OF COURT

New Roads, Louisiana

Notes to the Financial Statements

June 30, 2017

Note 10 – Post Retirement Benefits Other Than Pensions

Plan Description - The Clerk's defined benefit post-employment health care plan provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Plan is affiliated with the Louisiana Clerks of Court Insurance Trust (LCCIT), an agent multiple-employer post-employment health care plan administered by the Louisiana Clerks of Court Association.

Funding Policy - The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk currently pays 100% towards the premiums for eligible retired plan members as well as the cost for their spouses and dependent children. During the current year, the Clerk contributed approximately \$47,468 to the plan on behalf of participating retirees.

Annual OPEB Cost and Net OPEB Obligation - The Clerk's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Clerk's net OPEB obligation to the Retiree Health Plan.

Annual Required Contribution	\$ 94,184
Interest on Net OPEB Obligations	10,864
Adjustment to Annual Required Contribution	<u>(16,306)</u>
 Annual OPEB Costs	 88,742
 Age Adjusted Contribution Made	 <u>(47,468)</u>
Change in Net OPEB Obligation (NOO)	41,274
 Net OPEB Obligation (NOO) – Beginning	 <u>310,390</u>
 Net OPEB Obligation (NOO) – Ending	 <u>\$ 351,664</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the year ended June 30, 2017, is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$105,743	54.4%	\$269,387
6/30/2016	89,461	54.2%	310,390
6/30/2017	88,742	53.6%	351,664

POINTE COUPEE PARISH CLERK OF COURT

New Roads, Louisiana

Notes to the Financial Statements

June 30, 2017

Note 10 – Post Retirement Benefits Other Than Pensions (continued)

Funding Status and Funding Progress - As of June 30, 2017, the actuarial accrued liability (AAL) for benefits was \$1,151,014, all of which was unfunded. The covered payroll was \$411,061 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 280%. The projection of future benefit payments for an on-going plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funding status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of Funding Progress, presented on page 33, presents multi-year trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2017, actuarial valuation, the entry age actuarial cost method was used. A payroll growth rate of 3% and a discount rate of 1.74% is used. Actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 4.70% after 10 years. The Clerk's unfunded actuarial liability is being amortized as a level of percentage of projected payroll on an open basis over 30 years.

Note 11 – Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's full time employees, permits employees to defer a portion of their salary until future years. The Clerk of Court matched 100% of the employee contributions, limited to a percent of gross salary. The Clerk of Court's contribution to the plan amounted to \$34,341 for the year ended June 30, 2017.

Note 12 – Compensated Absences

At June 30, 2017 a liability of \$7,376 for compensated absences was recorded which represents earned but unused vacation leave.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 13 – Risk Management

General Liability Insurance – The Clerk of Court is subject to various risks of loss due to tort, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters, and automobile liability. The Clerk purchases commercial insurance policies to protect against loss related to these risks. Payment of the deductible is the only liability associated with these insurance policies. During the years ended June 30, 2017, 2016, and 2015 there were no significant reduction in the amount of coverage maintained by the Clerk of Court.

Note 14 – Litigation

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2017.

Note 15 – Expenditures of the Clerk of Court Paid by the Parish Police Jury

Louisiana R.S. 13:784 provides that upon request of the Clerk, the police jury shall provide all necessary office furniture, equipment, and records and books. During the current year the Clerk has not requested that the police jury purchase any office furniture, equipment, and records and books for her office. The Police Jury does, however, provide office space located in the Parish Courthouse and pays for utilities for the Clerk’s office. The amount of utilities paid by the Parish Police Jury is indeterminate.

Note 16 – Excess Fund Balance

R.S. 13:785 requires that every four years (at close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund’s fund balance that exceeds one-half of the revenues of the Clerk’s last year of her term of office. This payment is limited to no more than that which was received by the Clerk in accordance with R.S. 13:784 (A) during said term of office. The Parish Police Jury has not provided any direct funds to the Clerk under statute R.S. 17:784(A). At June 30, 2017 there was no amount due to the parish treasurer.

Note 17 – Fund Balance

The Clerk has assigned a portion of Fund Balance for special projects such as restoration and preservation of archives, mapping projects and ongoing comprehensive technology upgrade of office equipment. The amount assigned is derived from prior years’ surpluses that were waived by the Pointe Coupee Parish Police Jury.

Assigned	\$ 465,421
Unassigned	<u>576,135</u>
Total Fund Balance	<u><u>\$ 1,041,556</u></u>

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Notes to the Financial Statements
June 30, 2017

Note 18 – Subsequent Events

There were no events between the close of the year through May 21, 2018, the date on which the statements were available to be issued, that would materially impact these basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues				
Licenses and permits - marriage	\$ 3,100	\$ 3,100	\$ 2,880	\$ (220)
Intergovernmental revenues				
Clerk's supplemental compensation	22,800	22,800	24,000	1,200
Fees, charges, commissions for services				
Court costs, fees and charges	406,100	406,100	402,119	(3,981)
Fees for recording legal documents	240,000	240,000	272,182	32,182
Fees for certified copies and photocopies	53,000	53,000	67,831	14,831
Fees for public search	80,000	80,000	87,892	7,892
Election/qualifying fees	9,000	9,000	6,835	(2,165)
Miscellaneous	19,000	19,000	19,471	471
Use of money and property				
Investment income	5,000	5,000	2,328	(2,672)
Total Revenues	<u>838,000</u>	<u>838,000</u>	<u>885,538</u>	<u>47,538</u>
Expenditures:				
Current - general government - Judiciary				
Salaries and related benefits	748,000	748,000	706,254	41,746
Insurance - Other	5,000	5,000	4,822	178
Office supplies and expenses	33,000	33,000	32,868	132
Postage and shipping	8,100	8,100	6,061	2,039
Equipment rental and expenses	10,000	10,000	10,273	(273)
Recording costs	30,000	30,000	29,198	802
Election expense	-	-	5,505	(5,505)
Technical services and fees	42,000	42,000	43,367	(1,367)
All other	5,000	5,000	8,442	(3,442)
Special projects - assigned funds	10,000	10,000	3,829	6,171
Capital outlays special projects - Assigned funds				
Capital outlays	-	-	27,598	(27,598)
Total Expenditures	<u>891,100</u>	<u>891,100</u>	<u>878,217</u>	<u>12,883</u>
Change in Fund Balance	(53,100)	(53,100)	7,321	60,421
Fund Balance, beginning	\$ 1,034,235	\$ 1,034,235	1,034,235	-
Fund Balance, ending	<u>\$ 981,135</u>	<u>\$ 981,135</u>	<u>\$ 1,041,556</u>	<u>\$ 60,421</u>

See independent auditors' report

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Schedule of Funding Progress
Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2009	0	\$ 790,753	\$ 790,753	0.00%	\$410,032	192.9%
6/30/2012	0	1,054,839	1,054,839	0.00%	396,423	266.1%
6/30/2016	0	1,151,014	1,151,014	0.00%	411,064	280.0%

See independent auditors' report

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Schedule of Employer's Share of Net Pension Liability
Year Ended June 30, 2017

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.493813%	0.493395%	0.489627%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 740,735	\$ 665,522	\$ 808,746
Covered Payroll	411,064	446,323	436,518
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	180.20%	149.11%	185.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.37%	79.37%	72.86%

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

See independent auditors' report

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Schedule of Employer Contributions
Year Ended June 30, 2017

Year	<u>2017</u>
Contractually Required Contributions	\$ 79,088
Contributions in Relation to Contractually Required Contributions	79,088
Contribution Deficiency (Excess)	-
Employer's Covered-Employee Payroll	416,249
Contributions as a Percentage of Covered-Employee Payroll	19.00%

See independent auditors' report

OTHER SUPPLEMENTARY INFORMATION

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Supplementary Information
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2017

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,092,005	\$ 27,652	\$ 1,119,657
Total Assets	<u>1,092,005</u>	<u>27,652</u>	<u>1,119,657</u>
NET POSITION			
Due to general fund	25,769	-	25,769
Held in trust for others	<u>1,066,236</u>	<u>27,652</u>	<u>1,093,888</u>
Total Net Position	<u>\$ 1,092,005</u>	<u>\$ 27,652</u>	<u>\$ 1,119,657</u>

See independent auditors' report

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Supplementary Information
Schedule of Changes in Fiduciary Net Position
Agency Funds
Year Ended June 30, 2017

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
Unsettled Deposits at Beginning of year	<u>\$ 1,016,950</u>	<u>\$ 65,581</u>	<u>\$ 1,082,531</u>
Additions			
Deposits	1,022,792	541,716	1,564,508
Interest	<u>1,620</u>	<u>62</u>	<u>1,682</u>
Total Additions	<u>1,024,412</u>	<u>541,778</u>	<u>1,566,190</u>
Deductions			
Distributed to litigants	592,368	579,707	1,172,075
Clerk cost	304,020	-	304,020
Sheriff's cost	31,503	-	31,503
Other sheriff's costs	18,710	-	18,710
Others	<u>38,463</u>	<u>-</u>	<u>38,463</u>
Total deductions	985,064	579,707	1,564,771
Change in Unsettled Deposits	<u>39,348</u>	<u>(37,929)</u>	<u>1,419</u>
Unsettled Deposits at End of Year	<u>\$ 1,056,298</u>	<u>\$ 27,652</u>	<u>\$ 1,083,950</u>

See independent auditors' report

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Supplementary Information
Schedule of Compensation, Benefits and
Other Payments to Agency Head
Year Ended June 30, 2017

Agency Head

Lanell S. Landry
Clerk of Court

Purpose	Amount
Salary	\$ 122,249
Clerk's Supplement	24,000
Deferred Compensation	11,499
Benefits – Retirement	39,852
Benefits – Group Insurance	13,051
Medicare Employer Contribution	2,673
Life & Disability Insurance	2,000
Continuing Education	700
Voting Custodian	2,100
Travel:	
Auto Allowance	<u>20,860</u>
 Total Compensation, Benefits and Other Payments	 <u>\$ 238,984</u>

See independent auditors' report

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS



J. WALKER & COMPANY_{APC}

ACCOUNTANTS AND ADVISORS

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

Honorable Lanell S. Landry, Clerk of Court
Pointe Coupee Parish Clerk of Court
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities and each fiduciary fund of the Pointe Coupee Parish Clerk of Court, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Pointe Coupee Parish Clerk of Court's basic financial statements and have issued our report thereon dated May 21, 2018.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pointe Coupee Parish Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2017-01].

Pointe Coupee Parish Clerk of Court's Response to Findings

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

Purpose of this Report

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

J. Walker & Company, APC

Lake Charles, Louisiana

May 21, 2018



**POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana**

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

I. Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Pointe Coupee Parish Clerk of Court.
2. There were no control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. There was one (1) instance of noncompliance that is reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

1. The entity reported they received less than \$750,000 in federal awards during the year ended June 30, 2017 and therefore is exempt from the audit requirements as required by *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

c. Management Letter

1. No management letter was issued in connection with the audit for the year ended June 30, 2017.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

II. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2017-01 Failure to timely file audit report

Fiscal Year Finding Originated: 2017

Condition:

The Organization failed to submit audited report to LA Legislative Auditor in a timely manner.

Criteria:

La. R.S.24.513 states that “all engagements must be completed and transmitted to the legislative auditor within six months of the close of the auditee’s fiscal year.”

Cause:

The Clerk of Court failed to engage an auditor in a timely manner.

Effect:

The Clerk of Court was not in compliance with the State Law governing the completion and submission of audit reports.

Recommendation:

The Clerk of Court should engage independent auditor in a timely manner to ensure adequate time for completion of audit and the timely filing of report.

Response:

Clerk will engage auditor in a timely manner to ensure timely filing of annual report.

POINTE COUPEE PARISH CLERK OF COURT
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

III. Summary of Prior Year Findings

There were no prior year findings.



LANELL SWINDLER LANDRY

Clerk of Court
Parish of Pointe Coupee
18th Judicial District

P.O. Drawer 38
New Roads, LA 70760

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Jonald Walker, CPA
J. Walker & Company, APC
2740 Rue De Jardin
Ste 100
Lake Charles, LA 70605

RE: Response to Findings 2017-01
Failure to timely file audit report

Dear Mr. Walker:

We agree with the above noted finding and have timely engaged an auditor to perform the audit for year end June 30, 2018.

We were late engaging an auditor for the current audit, because our long time auditor did not notify us that she was no longer doing audits until late October. We were unable to locate a new auditor who could complete the audit by December 31, 2017.

Sincerely,

Lanell Swindler Landry
Clerk of Court
July 3, 2018



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Pointe Coupee Parish Clerk of Court (the "Clerk") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2016 through June 30, 2017. The Clerk's management 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

We performed the above procedure and noted the following exceptions:

The Clerk was unable to provide written policies and procedures relating to budgeting.

Management's Response:

See management's response letter.

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

We performed the above procedure and noted the following exceptions:

The Clerk was unable to provide written policies and procedures relating to purchasing.

Management's Response:

See management's response letter.

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

We performed the above procedure and noted the following exception:

The Clerk was unable to provide written policies and procedures relating to disbursements.

Management's Response:

See management's response letter.

- d) *Receipts*, including receiving, recording, and preparing deposits

We performed the above procedure and noted the following exceptions:

The Clerk was unable to provide written policies and procedures relating to receipts.

Management's Response:

See management's response letter.

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

We performed the above procedure and noted the following exceptions:

The Clerk was unable to provide written policies and procedures relating to payroll/personnel.

Management's Response:

See management's response letter.

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

We performed the above procedure and noted the following exception:

The Clerk was unable to provide written policies and procedures relating to contracting.

Management's Response:

See management's response letter.



- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
We performed the above procedure and noted the following exceptions:
The Clerk was unable to provide written policies and procedures relating to credit cards.

Management's Response:

See management's response letter.

- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
We performed the above procedure and noted the following exceptions:
The Clerk was unable to provide written policies and procedures relating to travel and expense reimbursement.

Management's Response:

See management's response letter.

- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
We performed the above procedure and noted the following exceptions:
The Clerk was unable to provide written policies and procedures relating to ethics.

Management's Response:

See management's response letter.

- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
We performed the above procedure and noted the following exception:
The Clerk was unable to provide written policies and procedures relating to debt service.

Management's Response:

See management's response letter.



Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

There is not a board; therefore these procedures are not applicable
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
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:
 - a) Bank reconciliations have been prepared;

We performed the above procedure and noted no exceptions.
 - 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; and

We performed the above procedure and noted no exceptions.
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

We performed the above procedure and noted the following exceptions:



There were items outstanding from 2016; outstanding items have not been researched.

Management's Response:

See management's response letter.

Collections

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

***We performed the above procedure and noted the following exceptions:
Cash collectors are not bonded.***

Management's Response:

See management's response letter.

- 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.

We performed the procedures above and noted no exceptions.



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

- 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.

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

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.

We performed the above procedure and noted no exceptions.

Disbursements – General (excluding credit card/debit card/fuel 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.

We performed the procedures above and noted no exceptions.

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/fuel 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.

We performed the procedures above and noted the following exceptions:
The Clerk does not have a purchase order system.

Management's Response:

See management's response letter.

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

We performed the procedures above and noted the following exceptions:
The Clerk does not have a purchase order system.

Management's Response:

See management's response letter.

- 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.

We performed the procedures above and noted the following exceptions:
The Clerk does not have a purchase order system.

Management's Response:

See management's response.

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.

We performed the above procedure and noted the following exceptions:
Clerk was unable to provide written policies and procedures relating to disbursements.

Management's Response:

See management's response letter.



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.

We performed the above procedure and noted the following exceptions:

Clerk was unable to provide written policies and procedures relating to disbursements.

Management's Response:

See management's response letter.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons 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.

We performed the procedures above and noted no exceptions.

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.

We performed the procedures above and noted no exceptions.

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.
15. Using the listing prepared by management, randomly select 10 cards (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.

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.)]

***We performed the above procedure and noted the following exception:
There was no evidence that the monthly statement was reviewed and approved by someone other than the authorized card holder.***

Management's Response:

See management's response letter.

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

We performed the above procedure and noted no exceptions.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 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)

We performed the procedure above and noted no exceptions.

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

We performed the above procedure and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.



- 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.

We performed the above procedure and noted no exceptions.

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.
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.

We performed the above procedure and noted the following exceptions:

The Clerk was unable to provide written policies and procedures relating to travel and expense reimbursement.

Management's Response:

See management's response letter.

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 expenses selected:
 - 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.

We performed the procedures above and noted the following exceptions:

The Clerk was unable to provide written policies and procedures relating to travel and expense reimbursement.

Management's Response:

See management's response letter.



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.]

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the above procedure and noted the following exceptions:

Clerk was unable to provide written policies and procedures relating to travel.

Management's Response:

See management's response letter.

- 1 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.

We performed the procedures above and noted no exceptions.

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

We performed the above procedure and noted the following exceptions:

There was no evidence that each expense and related documentation was reviewed and approved.

Management's Response:

See management's response letter.



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.

We performed the above procedure and noted the following exceptions:

There are no contracts.

Management's Response:

See management's response letter.

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 and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - 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.
 - 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.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

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:



- 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.

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

- 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/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.



Ethics

26. Using the five randomly selected employees from procedure under “Payroll and Personnel”, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*We performed the above procedure and noted the following exceptions:
1 of the 5 selected employees selected had not completed ethics training.*

Management’s Response:

See management’s response letter.

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.

We performed the procedures above and noted no exceptions.

Debt Service

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 Clerk did not issue any new debt during the fiscal period therefore these procedures are not applicable.

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.

We performed the procedures above and noted no exceptions.

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.

We performed the procedures above and noted no exceptions.

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.

We performed the procedures above and noted no exceptions.



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.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

The purpose of this report is solely to describe the scope of testing performed on those 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.

J. Walker & Company, APC

Lake Charles, Louisiana
March 21, 2018





LANELL SWINDLER LANDRY

Clerk of Court
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18th Judicial District

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MANAGEMENT'S RESPONSE LETTER TO INDEPENDENT ACCOUNTANTS'
REPORT ON APPLYING AGREED-UPON PROCEDURES

Dear Mr. Walker:

The following is my response to the finding in your report on Agreed-Upon Procedures:

- 1(a) I will establish written policies relating to budgeting.
- 1(b) I will establish written policies and procedures relating to purchasing.
- 1(c) I will establish written policies and procedures relating to disbursements.
- 1(d) I will establish written policies and procedures relating to receipts.
- 1(e) I will establish written policies and procedures relating to payroll/personnel.
- 1(f) I will establish written policies and procedures relating to contracting.
- 1(g) I will establish written policies and procedures relating to credit cards.
- 1(h) I will establish written policies and procedures relating to travel and reimbursements.
- 1(i) I will establish written policies and procedures relating to ethics.
- 1(j) I will establish written policies and procedures relating to debt service.
- 4(c) I will establish written policies and procedures relating to the review of outstanding checks that have been outstanding for over six months.
- 6(a) I believe that the small number of cash that we process does not justify the cost of bonding these employees.
- 9(a) Due to the small size of my staff and the fact that I approve all purchases I believe that the cost of establishing a purchase order system would be prohibited.
- 9(b) Due to the small size of my staff and the fact that I approve all purchases I believe that the cost of establishing a purchase order system would be prohibited.
- 9(c) Due to the small size of my staff and the fact that I approve all purchases I believe that the cost of establishing a purchase order system would be prohibited.
- 10. I will establish written policies and procedures relating to disbursements.
- 11. I will establish written policies and procedures relating to disbursements.
- 15(a) I will establish written policies and procedures relating to the review and approval of credit cards use. The Clerk is the authorized card holder and there is no other individual that has the authority to review or approve.

MANAGEMENT'S RESPONSE LETTER TO INDEPENDENT ACCOUNTANTS'
REPORT ON APPLYING AGREED-UPON PROCEDURES -Continued

- 18(a) I will establish written policies and procedures relating to Travel and Expense Reimbursements.
19(a) I will establish written policies and procedures relating to Travel and Expense Reimbursements.
19(b) I will establish written policies and procedures relating to Travel and Expense Reimbursements.
19(b2) I will establish written policies and procedures relating to Travel and Expense reimbursements.
If the Travel and Expense reimbursement is to the Clerk, then there is no one with higher authority available to review and approve these transactions.
20(a) I will establish written policies and procedures relating to contracts.
26(a) I agree with the findings. The employee who did not have documentation of having completed ethics training had terminated during the year.

My staff is very small and in most cases does not allow for adequate separation of duties. I perform all of the financial functions myself, i.e. payroll, accounts payable, purchasing, bank reconciliations, and I approve all cash disbursements and sign all checks. I do not believe that it would be cost efficient to add another person just to be able to establish "best Practices".

Sincerely,



Lanell Swindler Landry
Clerk of Court
July 12, 2018