

***TERREBONNE PARISH CLERK OF COURT***  
*Houma, Louisiana*

**Annual Financial Report**  
**For the Year Ended June 30, 2017**

**TERREBONNE PARISH CLERK OF COURT**  
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**For the Year Ended June 30, 2017**

**TABLE OF CONTENTS**

	<b>Page</b>
MANAGEMENT'S DISCUSSION & ANALYSIS	1
 <i><b>Financial Section:</b></i>	
INDEPENDENT AUDITOR'S REPORT	7
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	10
Statement of Activities	11
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Fund	12
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund – General Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance – Governmental Fund to the Statement of Activities	14
Combining Statement of Fiduciary Net Position	15
<i>Notes to the Financial Statements</i>	16
 <i><b>Required Supplemental Information:</b></i>	
Budgetary Comparison Schedule- General Fund	33
 <i><b>Other Supplemental Information:</b></i>	
Schedule of the Proportionate Share of Net Pension Liability And Related Ratios	34
Schedule of the Required Contributions	35
Schedule of Compensation, Benefits and Other Payments to Agency Head	36
 <i><b>Reports Required by Government Auditing Standards:</b></i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37
Schedule of Current Year Findings	39

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

Our discussion and analysis of the Terrebonne Parish Clerk of Court's (the Clerk) financial performance provides an overview of the financial activities as of and for the fiscal year end. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Position and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Position) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities report information on the Clerk of Court as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

**Fund Financial Statements**

The Fund Financial Statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Clerk uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

The Clerk is the trustee, or fiduciary, for funds reserved by the Court and Advanced Costs collected for court expenses. All of these fiduciary activities are reported in a separate Combined Statement of Fiduciary Net Position. We exclude these activities from the other financial statements because the Clerk cannot use these assets to finance its operations. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The net position of our governmental activities increased by over \$1 million or 22%.
- During the year, the Clerk had expenses of \$3.6 million that was approximately \$1 million less than the \$4.5 million generated in fees and other revenues for governmental activities.
- The governmental funds reported total ending fund balance of \$1.9 million of which 99% was classified as unassigned. This compares to the prior year ending fund balance of \$1.4 million showing an increase of \$475,269 or about 33%.

The Statement of Net Position and the Statement of Activities report only one type of activity - governmental activities. All of the basic governmental services are reported as this type. Fines and fees charged to the public finance most of these activities.

**TERREBONNE PARISH CLERK OF COURT AS A WHOLE**

Our analysis below focuses on the net position of the governmental-type activities.

	FY 2016	FY 2017	Increase (Decrease)
Current and Other Assets	\$ 1,466,702	\$ 1,892,665	\$ 425,963
Capital Assets	183,668	123,505	(60,163)
<b>Total Assets</b>	<b>1,650,370</b>	<b>2,016,170</b>	<b>365,800</b>
<b>Deferred Outflows</b>	<b>349,678</b>	<b>1,659,211</b>	<b>1,309,533</b>
Current Liabilities	49,306	-	(49,306)

**TERREBONNE PARISH CLERK OF COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Non-current Liabilities	6,035,272	6,852,098	816,826
<b>Total Liabilities</b>	<u>6,084,578</u>	<u>6,852,098</u>	<u>767,520</u>
<b>Deferred Inflows</b>	527,896	401,132	(126,764)
Invested in Capital Assets	183,668	123,505	(60,163)
Unrestricted	<u>(4,796,094)</u>	<u>(3,701,354)</u>	<u>1,094,740</u>
<b>Total Net Position</b>	<u>\$ (4,612,426)</u>	<u>\$ (3,577,849)</u>	<u>\$ 1,034,577</u>

The net position of our governmental activities increased by over \$1 million or 22%. Current assets increased by over \$425,000 due to the increase in fees collected over expenses. Capital assets decreased due to depreciation on assets in excess of purchased assets. Deferred outflows and inflows of assets varied from the prior year as part of the changes noted from the pension plan components from the reports provided. At the end of the fiscal year, the Clerk reported a liability of \$3,908,846 for its proportionate share of the net pension liability. This liability is based on the June 30, 2016 actuarial report which is the latest available. The net OPEB obligation at the end of the year was \$2,943,252. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the changes in net position of the governmental-type activities.

	FY 2016	FY 2017	Increase (Decrease)
Total program expenses	\$ (4,406,331)	\$ (3,557,953)	\$ 848,378
Total program revenues	<u>4,436,091</u>	<u>4,592,530</u>	<u>156,439</u>
<b>Net program income</b>	29,760	1,034,577	1,004,817
General revenues	<u>5</u>	<u>-</u>	<u>(5)</u>
<b>Change in Net Position</b>	29,765	1,034,577	1,004,812
<b>Net Position:</b>			
Beginning of the year	<u>(4,642,191)</u>	<u>(4,612,426)</u>	<u>29,765</u>
End of the year	<u>\$ (4,612,426)</u>	<u>\$ (3,577,849)</u>	<u>\$ 1,034,577</u>

The total revenues for the year in governmental activities were \$4,592,530 in program revenues a slight increase of 3.5% from last year. The total cost of all programs and services was \$3,557,953.

**NON-CURRENT LIABILITIES**

*OPEB Liability*

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the Plan:

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

Annual Required Contribution	\$508,861
Interest on Net OPEB Obligation	97,832
Adjustment to ARC	(146,839)
<b>Annual OPEB Cost</b>	<b>459,854</b>
Contributions Made	(311,797)
<b>Increase in Net OPEB Obligation</b>	<b>148,057</b>
Net OPEB Obligation - beginning of year	2,795,195
<b>Net OPEB Obligation - end of year</b>	<b>\$2,943,252</b>

See note 6 to the financial statements for additional information about Other Post-Employment Benefits.

*Pension Plan Liability*

As of June 30, 2017, the Clerk reported a liability of \$3,908,846 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the proportion of the plan was 2.1112919%.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$668,769. See note 5 to the financial statements for additional information about Pension Plan Liability.

**FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS**

As we noted earlier, the Clerk uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Clerk is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

As the end of the year, its governmental fund reported a fund balance of \$1,892,665. This reflects an increase of \$475,269 or approximately 33% from last year. This increase is primarily the result of an increase in recording fees and fees in criminal cases along with a decrease in total expenditures from the prior year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the fiscal year. Total budget variances for expenditures and revenues were favorable and in compliance with the Local Budget Law.

**TERREBONNE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**CAPITAL ASSETS**

Capital assets included furniture and fixtures, office equipment, automobiles and leased equipment recorded at historical cost of \$479,090. Accumulated depreciation of \$355,585 recorded from the cost of assets resulted in an ending book balance of assets of \$123,505. During the year all assets with no book value were adjusted and deleted from the asset list and were properly disposed of. The amount of these assets deleted were \$34,021. There was \$1,125 historical cost of assets added to the records during the current year.

Depreciation expense of \$61,288 was recorded for the year. More detailed information about the capital assets is presented in Note 4 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Clerk considered many factors when budgeting for the next year, including increased or decreased rates and fees to be charged. Another one of those factors is the new laws and regulations.

Following is a condensed summary of next year's budget:

	FY 2018
Anticipated revenues	\$ 4,296,010
<b>Expenditures:</b>	
Current	4,266,717
Capital outlay	20,000
Anticipated expenditures	4,286,717
Excess of revenues	9,293
<b>Fund Balance:</b>	
Beginning of the year	1,907,560
End of the year	\$ 1,916,853

The following assumptions are used to compile next year's budget:

- The salary of the Clerk of Court is fixed by Statute and includes a certification increase of 7% of the base salary, compensation from the Supplemental Compensation Fund, an expense allowance, and compensation for duties performed in connection with elections. For the year ending June 30, 2017 that amount is budgeted as \$141,980.
- \$568,000 is included to cover the contribution by the office to the Employee Retirement Fund (18.50% of the employer portion and 8.25% of the employee portion).
- Capital outlay includes anticipated expenditures of \$20,000 for the purchase of computer, printers, copiers, desks, and software support and hardware maintenance agreements for the computer systems.

**TERREBONNE PARISH CLERK OF COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of our finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact:

Honorable Theresa A. Robichaux  
Terrebonne Parish Clerk of Court  
P.O. Box 1569  
Houma, LA 70361  
985-868-5660

## *Financial Section*



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## ***INDEPENDENT AUDITOR'S REPORT***

Honorable Theresa A. Robichaux  
Terrebonne Parish Clerk of Court  
Houma, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Terrebonne Parish Clerk of Court, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2017, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these basic 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 Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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 evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of June 30, 2017 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information 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.

### **Other Information**

The other supplemental schedules listed in the table of contents 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 standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2017, on our consideration of the internal control over financial reporting and 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 the 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 internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, LA  
November 13, 2017

**TERREBONNE PARISH CLERK OF COURT**

*Statement of Net Position*

*June 30, 2017*

**ASSETS**

Cash	\$ 1,806,405
Receivables	71,633
Prepaid Insurance	14,627
Capital assets, net of accumulated depreciation	<u>123,505</u>

Total assets 2,016,170

**DEFERRED OUTFLOWS OF RESOURCES**

1,659,211

**LIABILITIES, DEFERRED INFLOWS AND NET POSITION**

**Current liabilities**

Accounts payable and accrued liabilities -

**Non-current liabilities:**

Net OPEB liability	2,943,252
Net pension liability	3,908,846
Total liabilities	<u>6,852,098</u>

**DEFERRED INFLOWS OF RESOURCES**

401,132

**NET POSITION:**

Net Invested in Capital Assets	123,505
Unrestricted (deficit)	<u>(3,701,354)</u>

Total net position \$ (3,577,849)

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**

*Statement of Activities*

*For the Year Ended June 30, 2017*

**EXPENSES**

Salaries and benefits	\$ 1,887,568
Office supplies and expense	330,651
Insurance	1,050,773
Other	227,673
Depreciation	61,288
Total program expenses	<u>3,557,953</u>

**PROGRAM REVENUES**

Charges for services	<u>4,592,530</u>
Total program revenues	<u>4,592,530</u>

Net Program (Income) Expense 1,034,577

**GENERAL REVENUES**

Interest earned	<u>-</u>
Total general revenues	<u>-</u>

Change in Net Position 1,034,577

**NET POSITION**

Beginning of year	<u>(4,612,426)</u>
End of year	<u>\$ (3,577,849)</u>

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**

*Balance Sheet - Governmental Fund*

*June 30, 2017*

<b>ASSETS</b>	<b>General Fund</b>
Cash and cash equivalents	\$ 1,806,405
Receivables	71,633
Prepaid Insurance	14,627
Total assets	<u>\$ 1,892,665</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Accounts payable and accrued liabilities	<u>\$ -</u>
Total liabilities	-
<b>FUND BALANCE</b>	
Nonspendable for Prepaid Insurance	14,627
Unassigned	<u>1,878,038</u>
Total fund balance	<u>1,892,665</u>
Total liabilities and fund balances	<u>\$ 1,892,665</u>

***Reconciliation to the Statement of Net Position:***

Total fund balance - governmental fund (Fund Financial Statement) \$ 1,892,665

Amounts reported for *governmental activities* in the statement of net position (Government-Wide Financial Statements) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Capital Assets	\$ 479,090	
Less Accumulated Depreciation	<u>(355,585)</u>	
		123,505

Deferred outflows and inflows are not financial resources or currently payable:

Deferred outflows	1,659,211
Deferred inflows	<u>(401,132)</u>

Certain non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Net pension liability	(3,908,846)
Net OPEB Obligation	<u>(2,943,252)</u>

Total net position of governmental activities \$ (3,577,849)  
(Government-Wide Financial Statements)

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**  
*Statement of Revenues, Expenditures and Changes in Fund Balance*  
*Governmental Fund*  
*For the Year Ended June 30, 2017*

<b>REVENUES</b>	<b>General Fund</b>
Suits and successions	\$ 1,712,298
Recording fees	1,582,814
Fees in criminal cases	337,060
Certified copies	239,747
Mortgage certificates	21,385
Court attendance	20,220
Cancellations	52,320
Marriage licenses	10,465
Notarial fees	19,806
Other	596,415
Total revenues	<u>4,592,530</u>
<b>EXPENDITURES</b>	
<b>Current - Judiciary:</b>	
Salaries and benefits	2,507,039
Office supplies and expense	330,651
Insurance	1,050,773
Other	227,673
Total current expenditures	<u>4,116,136</u>
Capital outlay	1,125
Total expenditures	<u>4,117,261</u>
<b>NET CHANGE IN FUND BALANCES</b>	475,269
<b>FUND BALANCES</b>	
Beginning of year	<u>1,417,396</u>
End of year	<u>\$ 1,892,665</u>

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance-  
Governmental Fund to the Statement of Activities  
For the Year Ended June 30, 2017*

Net change in fund balance - governmental fund (Fund Financial Statements)		\$	475,269
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:			
Capital outlays are reported as expenditures in the governmental fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.			
Add - Capital outlay		\$	1,125
Deduct - Depreciation expense			<u>(61,288)</u>
			(60,163)
Repayment of Non-current liabilities are reported as an expenditure in governmental funds, but the payment reduces long-term obligations in the statement of net assets. In the current year, these amounts consists of:			
Pension expense and deferrals			767,528
Annual Other Post-Employment Benefit Cost			<u>(148,057)</u>
			<u>619,471</u>
Change in net position of governmental activities (Government -Wide Financial Statements)		\$	<u>1,034,577</u>

See notes to financial statements.

**TERREBONNE PARISH CLERK OF COURT**

*Combining Statement of Fiduciary Net Position*

*June 30, 2017*

	<b>Advance Deposit Fund</b>	<b>Registry of the Court Fund</b>	<b>Total</b>
<hr/> <b>ASSETS</b> <hr/>			
Cash and cash equivalents	\$ 3,513,680	\$ 3,625,530	\$ 7,139,210
Investments	2,146,874	-	2,146,874
Accounts receivable	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 5,660,554</u>	<u>\$ 3,625,530</u>	<u>\$ 9,286,084</u>
<hr/> <b>LIABILITIES</b> <hr/>			
Due to State-Unclaimed Property	\$ 222,441	\$ 15,564	\$ 238,005
Unsettled deposits	5,438,113	3,609,966	9,048,079
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 5,660,554</u>	<u>\$ 3,625,530</u>	<u>\$ 9,286,084</u>

See notes to the financial statements.

**TERREBONNE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2017

**INTRODUCTION**

The Clerk of Court (LSA-RS 13:781) serves as the parish recorder of conveyances, mortgages, notary public, et cetera. As provided by Article V, Section 28 of the Louisiana Constitution of 1974, The Clerk of Court serves a four-year term of office. The current term expires June 30, 2020. The Clerk may appoint deputies with duties and powers provided by law, with the approval of the district judge.

The financial statements of the Terrebonne 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 more significant accounting policies established in GAAP and used is discussed below.

**Note 1**                      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A.     Reporting Entity

As the governing authority of the parish, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The Consolidated Government maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the Terrebonne Parish Consolidated Government, the clerk of court was determined to be a component unit of the Terrebonne Parish Consolidated Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B.     Basic Financial Statements

The basic financial statements include both government-wide (reporting the entity as a whole) and fund financial statements (reporting the entity's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type.

**TERREBONNE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2017

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Government-Wide Financial Statements (GWFS)**

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Clerk's functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if any. The net costs by function are normally covered by general revenue (interest income, miscellaneous).

This government-wide focus is more on the sustainability as an entity and the change in its net position resulting from the current year's activities.

Information contained in these statements reflects 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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Fund Financial Statements (FFS)**

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

# TERREBONNE PARISH CLERK OF COURT

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

## Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

### A. Basic Financial Statements (Continued)

#### Governmental Funds

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

##### General Fund

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

##### Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The Advance Deposit and Registry of Court - Agency Funds account for assets held as an agent for others.

### B. Basis of Accounting

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

**Accrual:** The governmental-type activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

# TERREBONNE PARISH CLERK OF COURT

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

## **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

### C.      Basis of Accounting (Continued)

**Modified Accrual:** The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

### D.      Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and cash on hand. Cash equivalents include time deposits maturing within 90 days. Under state law, the Clerk may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

### E.      Investments

Investments are limited by Louisiana Revised Statute 25 33:2955 and the investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities of investments are 90 days or less, they are classified as cash and cash equivalents.

### F.      Capital Assets

Capital assets purchased or acquired with a cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

**TERREBONNE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
 For the Year Ended June 30, 2017

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

F.      Capital Assets (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture & Fixtures	10 years
Automobiles	5 years
Leased Equipment	5 years

G.      Interfund Activities

The Clerk transfers interest earned on the investments of the Advance Deposit Fund to the Salary Fund to be utilized by the Salary Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

H.      Fees Transferred from Advance Deposit Agency Fund

These fees represent revenue earned from everyday operations such as filing suits, preparing notices, etc. for litigants. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the Salary Fund.

I.      Budgetary Practices

Prior to the beginning of each fiscal year, the Chief Deputy Clerk prepares and the Clerk approves a formal budget for the General Fund based upon estimated revenues and proposed expenditures for the coming year using the modified accrual basis of accounting.

The proposed budget is published in the official journal of the Parish of Terrebonne and is presented to the public for review and inspection, after which it is finalized and adopted by the elected Clerk of Court of Terrebonne Parish.

A certified copy of the budget is then filed with the Chief Executive or Administrative Officer of the Terrebonne Parish Consolidated Government. Any amendments to the budget are published in the official journal. Budgetary integration is employed as a management tool.

# **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2017

## **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

### **I.      Budgetary Practices (continued)**

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

### **J.      Compensated Absences**

The employees are allowed a fixed number of days for vacation and sick leave each year. This policy does not provide for the accumulation or vesting of leave. Accordingly, no accrual is recorded for employee leave benefits.

### **K. Fund Equity**

#### **Net Assets**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

#### **Fund Balance**

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

### **L.      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.

## **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*  
For the Year Ended June 30, 2017

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

M.      Due to Terrebonne Parish Consolidated Government

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office, which amount shall be limited to no more than that which was received by the clerk in accordance with R.S. 1784 (A) during said term in office. At June 30, 2017, there was no amount due the parish treasurer.

### **Note 2      DEPOSITS AND INVESTMENTS**

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The Clerk of Court has balances of deposits at year-end as follows:

	Balances	
	Reported	Bank
Cash and cash equivalent	\$8,945,616	\$9,116,567
Certificates of deposit	2,146,873	2,147,862
<b>Totals</b>	<b>\$10,892,489</b>	<b>\$ 11,264,429</b>

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned. The Clerk does not have a written policy for custodial credit risk. As of year-end, \$9,362,190 of the bank balance was exposed to custodial credit risk.

These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Clerk's name. At year-end, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositors.

**TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*  
For the Year Ended June 30, 2017

**Note 2        DEPOSITS (CONTINUED)**

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3        RECEIVABLES**

Receivable balances at year end were for charges on accounts for services in the General Fund. All balances are expected to be collected in the upcoming year.

**Note 4        CAPITAL ASSETS**

Capital assets and depreciation activity for the year follows:

<b>Cost:</b>	<b>Furniture &amp; Fixtures</b>	<b>Office Equipment</b>	<b>Autos</b>	<b>TOTALS</b>
Beginning Balance	\$ 171,172	\$ 328,180	\$ 12,634	\$ 511,986
Additions	-	1,125	-	1,125
Deletions	-	(34,021)	-	(34,021)
Total Cost	171,172	295,284	12,634	479,090
<b>Accumulated Depreciation</b>				
Beginning Balance	155,774	162,436	10,108	328,318
Additions/Adjustments	7,344	51,417	2,526	61,288
Deletions	-	(34,021)	-	(34,021)
Total Accumulated Depreciation	163,118	179,832	12,634	355,585
Net Capital Assets	\$ 8,054	\$ 115,452	\$ 0	\$ 123,505
Current Depreciation	\$ 7,344	\$ 51,417	\$ 2,526	\$ 61,288

# **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*  
For the Year Ended June 30, 2017

## **Note 5      PENSION PLAN**

The Clerk adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

### ***Plan Description and Provisions***

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

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

The following is a brief description of the plan benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

### **Retirement Benefits**

A member or former member is eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3-1/3% of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those members hired on or after July 1, 2006, 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.

## **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2017

### **Note 5      PENSION PLAN (continued)**

#### **Disability Benefits**

Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits. Effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008 if certified to be totally and permanently disabled pursuant to R.S.11:218 and one of the following applies:

- The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- The member has at least 10 years of service credit.

#### **Survivor Benefits**

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse.

#### **Deferred Retirement Option Plan**

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in DROP for up to 36 months and defer the receipt of benefits.

#### **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 LA 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.

#### **Contributions**

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

In accordance with state statute, the Fund also 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.

**TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2017

**Note 5      PENSION PLAN (continued)**

The Clerk's contribution for the years ending June 30, 2015, 2016, and 2017 were \$521,018, \$514,508, and \$555,155 respectively, which were equal to the required contributions for each year.

**Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:**

As of June 30, 2017 the Clerk reported a liability of \$3,908,846 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the proportion of the plan was 2.112919%, a decrease of .04709% from the prior year.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$668,769 and the following deferred outflows and inflows of resources related to pensions from the following sources:

	<b><u>Deferred outflows of resources</u></b>	<b><u>Deferred inflows of resources</u></b>
Changes in assumptions	\$        240,737	\$                -
Differences between expected and actual experience	39,890	(133,045)
Net difference between projected and actual earnings on pension plan investments	674,405	
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	74,802	(230,686)
	<u>\$    1,659,211</u>	<u>\$    (401,132)</u>

**TERREBONNE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
 For the Year Ended June 30, 2017

**Note 5      PENSION PLAN (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2016	\$ 94,142
2017	94,142
2018	230,016
2019	172,998
<b>TOTAL</b>	<b>\$591,298</b>

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2016 report were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Investment rate of return	7.00%
Projected salary increases	5.00%
Expected remaining service lives (2014&2015)	5 years

Mortality rates were based on:

- RP-2000 Combined Healthy Mortality Table (set back 4 years for males and 3 year for females),
- RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females),
- RP-2000 Healthy Annuitant Table (set forward 1 year for males)

Cost of Living Adjustments – the present value:

- Of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases,

## TERREBONNE PARISH CLERK OF COURT

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

### Note 5 PENSION PLAN (continued)

- 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.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Core Fixed Income	5.00%	1.75%
Core plus fixed income	15.00%	2.25%
Large cap domestic Equity	21.00%	4.50%
Non-large cap domestic equity	7.00%	4.25%
Large cap international Equity	14.00%	5.25%
Small cap international equity	6.50%	5.25%
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%
Totals	100.00%	

### Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Plan's actuary. Based on these assumptions, the Plan'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 period of projected benefit payments to determine the total pension liability.

# TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2017

## Note 5 PENSION PLAN (continued)

### Sensitivity to changes in the discount rate

The following presents the net pension liability of the participating employers calculated using the discount rates as shown above, as well as what the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
Net Pension Liability	\$5,562,214	\$ 3,908,846	\$ 2,505,468

## Note 6 OTHER POST-RETIREMENT BENEFITS

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

To be eligible to continue coverage after retirement, an employee that was hired prior to 1/1/2011 must be at least 55 with 12 years of service. Employees hired 1/1/2011 and later are eligible for retirement at age 60 with 12 years of service. Spouses and dependents of retirees are eligible to stay on the plan.

*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 pays for the entire Option 1 premium charged by the LCCA for retirees and 75% for dependents. For retirees that elect Option 2, the Clerk pays the Option 1 premium and an additional \$100 for retiree only and \$200 for retiree and family. Surviving spouses are required to pay 100% of the premiums. For fiscal year 2017, the Clerk contributed \$311,797 to the plan and the retirees/surviving spouses contributed \$34,500.



# TERREBONNE PARISH CLERK OF COURT

## Notes to Financial Statements

For the Year Ended June 30, 2017

**Note 6 POST-RETIREMENT BENEFITS (continued)**

Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and the new estimates are made about the future. The schedule of funding progress that follows presents multiyear 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 (the plan as understood by the employer and plan members) 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 the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

- In the July 1, 2015 actuarial valuation, the unit credit cost method was used.
- Based on the short-term investment portfolio, a discount rate of 3.5% was used.
- In addition, the actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5.0% after 13 years.
- Medicare Supplement trend starts at 4% and decreases to 3% after 8 years.
- Dental trend decreases from 4% to 3% over 5 years and vision trend is 3% in all years.
- The unfunded actuarial liability is being amortized on a level dollar, open basis over 30 years.

**Required Supplementary Information**

**Schedule of Funding Progress:**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b- a)/c)
6/30/2009	\$ -	\$7,358,507	\$ 7,358,507	0.0%	\$ 2,057,036	358%
6/30/2012	\$ -	\$ 7,104,740	\$ 7,104,740	0.0%	\$ 1,980,880	359%
6/30/2015	\$ -	\$ 6,438,839	\$ 6,438,839	0.0%	\$ 1,968,075	327%

## **TERREBONNE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2017

### **Note 7      LITIGATION**

There is no litigation pending that is required to be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

### **Note 8      RISK MANAGEMENT**

#### GENERAL LIABILITY INSURANCE

The Clerk of Court is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court purchases commercial insurance policies for any and all claims relating to the above types of risks.

The Clerk's payment of the deductible is the only liability associated with these insurance policies. There has been no significant reduction in insurance coverage in the prior year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

#### HEALTH INSURANCE

The Clerk of Court provides health and life insurance to employees through the Louisiana Clerk of Court Association. Under this insurance program, the Clerk pays initial premiums based on the level of the employee's participation and has no further liabilities on any claims.

### **Note 9      *New GASB Accounting Standards***

The Governmental Accounting Standards Board (GASB) released two new statements (GASB 74 and GASB 75) related to accounting for Other Postemployment Benefits (OPEB). These changes, which are effective for fiscal years beginning after June 15, 2016 for GASB 74 and June 15, 2017 for GASB 75, significantly increase reporting requirements for employers with "other postemployment benefits." Specifically, the standards require state and local governments to recognize net OPEB liabilities directly in their financial statements, as a means of more effectively disclosing exactly what these benefits are meant to provide.

*Required Supplemental Information*

**TERREBONNE PARISH CLERK OF COURT**

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

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Suits and successions transferred				
from the Advance Deposit Fund	\$ 1,550,000	\$ 1,714,925	\$ 1,712,298	\$ (2,627)
Recording fees	1,600,000	1,661,151	1,582,814	(78,337)
Fees in criminal cases	325,000	344,358	337,060	(7,298)
Certified copies	260,000	240,725	239,747	(978)
Interest earned	3,050	2,915	-	(2,915)
Mortgage certificates	25,000	23,035	21,385	(1,650)
Court attendance	20,000	19,752	20,220	468
Cancellations	54,000	56,172	52,320	(3,852)
Marriage licenses	13,500	10,794	10,465	(329)
Notarial fees	22,000	20,824	19,806	(1,018)
Other	450,000	627,354	596,415	(30,939)
Total revenues	<u>4,322,550</u>	<u>4,722,005</u>	<u>4,592,530</u>	<u>(129,475)</u>
<u>Expenditures</u>				
<b>Current-Judiciary:</b>				
Salaries and benefits	2,620,613	2,541,528	2,507,039	34,489
Office supplies and expense	255,000	207,862	330,651	(122,789)
Insurance	1,032,850	1,080,656	1,050,773	29,883
Other	375,054	400,444	227,673	172,771
Total current expenditures	<u>4,283,517</u>	<u>4,230,490</u>	<u>4,116,136</u>	<u>114,354</u>
<b>Capital outlay</b>	<u>30,000</u>	<u>1,350</u>	<u>1,125</u>	<u>225</u>
Total expenditures	<u>4,313,517</u>	<u>4,231,840</u>	<u>4,117,261</u>	<u>114,579</u>
Excess (deficiency) of revenues over expenditures	9,033	490,165	475,269	(14,896)
<u>Fund Balances</u>				
Beginning of year	794,853	1,234,478	1,417,396	182,918
End of year	<u>\$ 803,886</u>	<u>\$ 1,724,643</u>	<u>\$ 1,892,665</u>	<u>\$ 168,022</u>

**TERREBONNE PARISH CLERK OF COURT**

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios  
**Louisiana Clerks' of Court Retirement and Relief Fund**

<b>For Fiscal Year Ending:</b>	6/30/2015	6/30/2016	6/30/2017
<b>Plan Measurement Date:</b>	6/30/2014	6/30/2015	6/30/2016
Proportion of the net pension liability (asset)	2.306187%	2.160006%	2.112920%
Proportionate share of the net pension liability (asset)	\$ 2,987,312	\$ 3,240,077	\$ 3,908,846
Covered-employee payroll	\$ 1,980,880	\$ 1,968,075	\$ 1,968,891
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	150.81%	164.63%	198.53%
Plan fiduciary net position as a percentage of the total pension liability	65.00%	62.70%	74.17%

Note: Initial Year of GASB 68 Implementation, Schedule is intended to show information for 10 years. Additional Years will be displayed as they become available.

**Notes to Required Supplementary Information**

**Changes of Benefit Terms.** There were no changes of benefit terms for any of the plan years listed above.

**Changes of Assumptions.** There were no changes in assumptions for any of the plan years listed above.

**TERREBONNE PARISH CLERK OF COURT  
STATE OF LOUISIANA**

Schedule of Required Contributions  
Louisiana Clerks' of Court Retirement and Relief Fund

For Fiscal Year Ending:	6/30/2015	6/30/2016	6/30/2017
Plan Measurement Date:	6/30/2014	6/30/2015	6/30/2016
Contractually required contributions	\$ 521,018	\$ 514,508	\$ 555,155
Contributions in relation to the contractually required contribution	\$ 521,018	\$ 514,508	\$ 555,155
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,980,880	\$ 1,968,075	\$ 1,968,891
Contribution as a percentage of covered employee payroll	26.30%	26.14%	28.20%

Note: Initial Year of GASB 68 Implementation, Schedule is intended to show information for 10 years. Additional Years will be displayed as they become available.

**Notes to Required Supplementary Information**

**Changes of Benefit Terms.** There were no changes of benefit terms for any of the plan years listed above.

**Changes of Assumptions.** There were no changes in assumptions for any of the plan years listed above.

## *Other Supplemental Information*

**TERREBONNE PARISH CLERK OF COURT**

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

**Agency Head Name: Theresa Robichaux, Clerk of Court**

<b>Purpose</b>	<b>Amount</b>
Salary	\$181,960
Benefits - insurance	\$14,634
Benefits - retirement	\$13,202
Deferred Compensation (Contributions made by the Agency)	\$0
Benefits - Other (HSA Contribution)	\$2,400
Car Allowance	\$0
Vehicle provided by government (amount reported on W-2)	\$0
Cell Phone	\$0
Dues	\$0
Vehicle rental	
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$950
Conference travel	\$456
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Other (Including payments made by other parties on behalf of the Agency Head)	\$0

*This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting*

*Reports Required by  
Government Auditing Standards*



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

Honorable Theresa A. Robichaux  
Terrebonne Parish Clerk of Court  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated November 13, 2017.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Stagni & Company*

Thibodaux, Louisiana  
November 13, 2017

**TERREBONNE PARISH CLERK OF COURT**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
*For the Year Ended June 30, 2017*

We have audited the financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of the Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2017, which collectively comprise the basic financial statements and have issued our report thereon dated November 13, 2017. 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.

***Section I - Summary of Auditor's Reports***

- The auditor's report expresses an unmodified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The Clerk neither received nor expended any federal awards during the year.
- There was no management letter issued in connection with this audit.

***Section II - Financial Statement Findings***

- There were no financial statement findings during the audit of the basic financial statements.

***Section III - Federal Award Findings and Questioned Costs***

- This section is not applicable.



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Theresa A. Robichaux, Terrebonne Parish Clerk of Court and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Terrebonne Parish Clerk of Court 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 period July 1, 2016 through June 30, 2017. The Entity'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 described in the following schedule.

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.

*Stagni & Company*

Thibodaux, Louisiana  
November 13, 2017

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

The required procedures and our findings are as follows:

**Procedures performed on the written policies and procedures:**

1. Obtain the 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  
**Performance:** Obtained and read the written policy for budgeting and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
  - 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.  
**Performance:** Obtained and read the written policy for purchasing and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
  - c) **Disbursements**, including processing, reviewing, and approving  
**Performance:** Obtained and read the written policy for disbursements and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
  - d) **Receipts**, including receiving, recording, and preparing deposits  
**Performance:** Obtained and read the written policy for receipts and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
**Performance:** Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the written policies and procedures (continued):**

- 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  
**Performance:** Obtained and read the written policy for contracting and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
- 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  
**Performance:** Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers  
**Performance:** Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
- 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.  
**Performance:** Obtained and read the written policy for ethics and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Not applicable – there were no procedures performed for debt service.**

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

The Clerk of Court is an independently elected official and there is no Board, therefore the procedures required for Board is not applicable.

**Procedures performed on the bank reconciliations:**

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

**Performance:** Obtained the listing of bank accounts from management, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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). 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;

**Performance:** Selected 6 bank accounts out of a total of 17 accounts. Inspected documentation for accuracy of bank reconciliations.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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

**Performance:** Inspected documentation for written evidence of proper review of each bank reconciliation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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.

**Performance:** Inspected bank reconciliations for items outstanding for more than 6 months.

**Exceptions:** In our observation we noted 2 accounts that had checks that were outstanding for longer than 6 months.

**Management's response:** Management has a plan in place to research and either void, refund or send all outstanding checks to the State as unclaimed property. Management has hired additional staff to accomplish this task and is estimating that it will be complete by June of 2018.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the collections:**

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

**Performance:** Obtained the listing of cash/check/money order (cash) collection locations from management, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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). 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.

**Performance:** Inspected the Terrebonne Parish Clerk of Court Policy & Procedure Manual – Internal Office Accounting Practices, the Terrebonne Parish Clerk of Court Employee Policy Manual, and inquired of management as to all of the requirements.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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.

**Performance:** Obtained the daily summary of receipts that are reconciled daily for Salary Fund and Advanced Deposit Fund and inquired of separation of duties.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the collections (continued):**

**Performance:** Traced collections from the highest dollar week of the cash collections to the deposit date on the corresponding bank statement noting number of days from receipt to deposit for each day at each collection location.

**Exceptions:**

- For collection location #1 – Salary Fund – 5 days of deposits were tested: 3 of the deposits were made 2 days later; 1 deposit was made 3 days later.
- For collection location #2 – Advanced Cost Fund – 5 days of deposits were tested: 2 of the deposits were made 2 days later; 2 deposits were made 3 days later; 1 deposit was made 4 days later.
- For collection location #3 – Registry of the Court Fund – 2 days of deposits were tested: 1 of the deposits were made 4 days later.

**Management's response:** Management's policy notes that at the end of each work day all cash and checks received shall be placed in an envelope detailing the amount of cash and checks to be deposited for each individual work day. All end of day deposits shall be placed in a locked and secure vault at the end of each business day. The Chief Deputy Clerk of Court, the Clerk of Court, or a designated member of the accounting department shall make deposits no less than 3 times in a business week.

- 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.

**Performance:** Inspected sequentially numbered receipts, the journal of cash receipts and deposit slips from the bank. Noted that all collections are supported by adequate documentation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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 by a person who is not responsible for collections.

**Performance:** Inspected the Terrebonne Parish Clerk of Court Policy & Procedure Manual – Internal Office Accounting Practices, the Terrebonne Parish Clerk of Court Employee Policy Manual, and inquired of management as to separation of duties.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the disbursements:**

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.

**Performance:** Obtained the completed general ledger for the fiscal period, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Randomly selected 25 disbursements. Inquired of management and reviewed the written policies on requisition/purchase orders and how invoices are approved for payment.

**Exceptions:** The written policy does not require a purchase order unless the amount is over \$500, there were no exceptions to their policy.

**Management's response:** Not applicable.

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

**Performance:** Inquired of management and reviewed written policy for purchase approval.

**Exceptions:** The written policy does not require a purchase order unless the amount is over \$500, there were no exceptions to their policy. Purchases can only be initiated if approved by the Clerk of Court, the Chief Deputy Clerk or the Recording Supervisor and may be oral. At no time should the employee ordering the item be the same employee that signs the purchase order.

**Management's response:** Not applicable.

- c) Payments for purchases were not processed without 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.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the disbursements (continued):**

**Performance:** Reviewed and tested the selected 25 disbursements for approval documentation.

**Exceptions:** Not all payments are processed with purchase orders, however, all payments per written policy (above \$500) did have the applicable purchase order attached. All invoices are approved before payment is made, however there is no written approval on the invoices. Management does not use receiving reports but supervisors receiving items will review the packing slip for accuracy, and initial those slips for approvals.

**Management's response:** Management will continue to approve invoices after they are received and reviewed, and initial them to show proper approvals.

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.

**Performance:** Inspected the Terrebonne Parish Clerk of Court Policy & Procedure Manual – Internal Office Accounting Practices, the Terrebonne Parish Clerk of Court Employee Policy Manual, and inquired of management as to separation of duties.

**Exceptions:** According to their policy, vendors are approved by the Clerk of Court or the Chief Deputy Clerk of Court prior to any order being initiated. If possible, State of Louisiana approved vendors will be utilized for major purchases in excess of \$1000. The Chief Deputy Clerk of Court is responsible for recording payments in the accounting system and could also add a new vendor to the disbursements system, therefor this person could both process payments and add vendors as needed.

**Management's response:** It is very seldom that a new vendor is added, it will be noted for the future that the Clerk of Court will approve all new vendors in writing before the Chief Deputy can add the vendor for payment into the system.

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.

**Performance:** : Inspected the Terrebonne Parish Clerk of Court Policy & Procedure Manual – Internal Office Accounting Practices, the Terrebonne Parish Clerk of Court Employee Policy Manual, and inquired of management as to authorization for disbursements.

**Exceptions:** No exceptions were noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the disbursements (continued):**

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.

**Performance:** Inquired of management, as well as observed that the all supplies of unused checks are maintained in a locked location.

**Exceptions:** No exceptions were noted.

**Management's response:** Not applicable.

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.

**Performance:** Inquired of management the details of signing checks, noting that all checks are manually signed except for payroll checks. The Clerk of Court's signature is automatically signed for payroll but are not released for direct deposit until after reviewing and approving the payroll register.

**Exceptions:** No exceptions were noted.

**Management's response:** Not applicable.

**Procedures performed on the 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.

**Performance:** Obtained a listing of all active credit cards including the above-mentioned information for each card, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the credit cards, debit cards, fuel cards, p-cards (continued):**

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.

**Performance:** Obtained all monthly statements for all 4 cards issued and observed for supporting documentation as well as approvals.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Reviewed all credit card statements for any late fees or finance charges.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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)

**Performance:** Traced each transaction to an original itemized receipt.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Observed documentation for the purpose of each transaction noting clear purpose as business/public. There were no transactions for meal charges.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Observed written approvals of credit card transactions. Management reviews all transactions and then agrees to support before payment.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the credit cards, debit cards, fuel cards, p-cards (continued):**

- 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.

**Performance:** Compared transaction detail to the Terrebonne Parish Clerk of Court Policy & Procedure Manual – Internal Office Accounting Practices and Louisiana Public Bid Law.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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

**Performance:** Inspected all transactions for compliance with Article 7, Section 14 of the Louisiana Constitution.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Procedures performed on the travel and expense reimbursements:**

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.

**Performance:** Obtained a listing of all travel and related expense reimbursements including the above-mentioned information, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the travel and expense reimbursements (continued):**

**Performance:** Compared transaction detail to the Terrebonne Parish Clerk of Court Policy & Procedure Manual – Internal Office Accounting Practices; the Terrebonne Parish Clerk of Court Employee Policy Manual; and to the per diem and mileage rates established by the U.S. General Services Administration.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Selected the 3 employees with the most travel costs during the period and the highest travel expenditure reimburse for each of the 3. Compared documentation to the applicable rates listed above.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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.]

**Performance:** Traced each expense to the original itemized receipt with detail of reimbursement.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Traced each expense to the original itemized receipt with detail of reimbursement.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on the travel and expense reimbursements (continued):**

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

**Performance:** Traced each expense to the original itemized receipt with documentation for reimbursement.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Performance:** Inspected all transactions for compliance with Article 7, Section 14 of the Louisiana Constitution.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Inspected all transactions for documentation of review and approval in writing other than the person receiving the reimbursement.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Procedures performed on 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.

**Performance:** Obtained a listing of all contracts, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on contracts (continued):**

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) Procedures performed on contracts (continued):**

**Performance:** Obtained a copy and reviewed the 2 contracts in effect for the fiscal year.

**Exceptions:** There were no exceptions noted.

**Management’s response:** Not applicable.

c) 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)

**Performance:** Both contracts were for software maintenance and not applicable to bid law.

**Exceptions:** There were no exceptions noted.

**Management’s response:** Not applicable.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

**Performance:** Both contracts were for software maintenance and did not require quotes as a best practice.

**Exceptions:** There were no exceptions noted.

**Management’s response:** Not applicable.

d) 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.

**Performance:** Inspected contract to agree to the actual expenditure. Neither contract was amended during the year.

**Exceptions:** There were no exceptions noted.

**Management’s response:** Not applicable.

e) 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.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on contracts (continued):**

**Performance:** Inspected contract to agree to the actual expenditure.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- f) 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).

**Performance:** Observed approval of contract by management.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Procedures performed on 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.

**Performance:** Obtained a listing of employees with their related salaries, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Compared compensation from the approved pay letter in personnel folders with payments made to employees during the fiscal year.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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.

**Performance:** Observed the written policy and traced all salary adjustments approved by the Clerk of Court in writing as per the policy.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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:

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on payroll and personnel (continued):**

- 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.)

**Performance:** Randomly selected one pay period to test leave taken during that period. Inspected 25 daily attendance and leave records for proper documentation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Reviewed documentation of daily attendance and leave records for proper approval.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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.

**Performance:** Reviewed documentation of daily attendance and leave records each employee eligible for leave.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Obtained list of terminated employees during the fiscal period and management's representation that the list is complete. Of the 7 terminated employees we traced the 2 employees with the largest termination payments to their personnel files to determine if payments were made in strict accordance with the Terrebonne Parish Clerk of Court Policy & Procedure Manual – Internal Office Accounting Practices and the Terrebonne Parish Clerk of Court Employee Policy Manual.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on payroll and personnel (continued):**

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.

**Performance:** Reviewed payroll and retirement forms filed along with cancelled checks and EFT documentation for the fiscal year to determine if all forms were submitted to the proper agencies by the required deadlines.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Procedures performed on ethics:**

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

**Performance:** Performed a search on the LA Ethics Board website for the 5 employees selected for compliance documentation certificates.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Inquired of management whether any alleged ethics violations were reported during the fiscal year and management's representation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Procedures performed on 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.

**Performance:** No debt was issued during the fiscal period.

**Exceptions:** Not applicable.

**Management's response:** 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.

**Performance:** Not applicable.

**Exceptions:** Not applicable.

**Management's response:** Not applicable.

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.

**Performance:** Not applicable.

**Exceptions:** Not applicable.

**Management's response:** Not applicable.

**Other Procedures performed:**

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.

**Performance:** Inquired of management whether any misappropriations of public funds or assets during the fiscal year and management's representation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Performance:** Inquired of management and observed such notice posted as required.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Terrebonne Parish Clerk of Court  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017**

**Other Procedures performed (continued):**

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

***Performance:*** Inspected all procedures, and the results of such procedures and compared them to management's representation.

***Exceptions:*** There were no exceptions noted.

***Management's response:*** Not applicable.