

**ST. JAMES PARISH CLERK OF COURT**  
Convent, Louisiana

Financial Report

Year Ended June 30, 2017

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## INDEPENDENT AUDITORS' REPORT

The Honorable Shane Leblanc  
St. James Parish Clerk of Court  
Convent, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of St. James Parish Clerk of Court as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the St. James Parish Clerk of Court's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Clerk of Court, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 34 and the schedules of funding progress, employer's share of net pension liability, and employer contributions on pages 35 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. James Clerk of Court's basic financial statements. The other supplementary information on pages 39 through 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative and combining statements on pages 39, 40, 44, and 45 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the comparative and combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the St. James Parish Clerk of Court's 2016 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The budgetary comparison schedules on pages 41 and 42 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2017, on our consideration of the St. James Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
October 11, 2017

## **BASIC FINANCIAL STATEMENTS**

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Statement of Net Position  
June 30, 2017

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                             |                                    |
| Current assets:                           |                                    |
| Cash                                      | \$ 186,554                         |
| Receivables, net                          | 18,402                             |
| Accrued interest                          | 281                                |
| Prepaid expenditures                      | <u>2,389</u>                       |
| Total assets                              | <u>207,626</u>                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                                    |
| Deferred outflows related to pension      | <u>278,553</u>                     |
| <b>LIABILITIES</b>                        |                                    |
| Current liabilities:                      |                                    |
| Accounts and other payables               | <u>4,009</u>                       |
| Noncurrent liabilities:                   |                                    |
| Compensated absences payable              | 3,618                              |
| Postemployment benefit obligation payable | 371,810                            |
| Net pension liability                     | <u>867,547</u>                     |
| Total noncurrent liabilities              | <u>1,242,975</u>                   |
| Total liabilities                         | <u>1,246,984</u>                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                                    |
| Deferred inflows related to pension       | <u>43,056</u>                      |
| <b>NET POSITION</b>                       |                                    |
| Unrestricted (deficit)                    | <u><u>\$ (803,861)</u></u>         |

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Statement of Activities  
For the Year Ended June 30, 2017

| Activities                        | Expenses          | Program Revenues        |                                       | Net (Expense) Revenue<br>and Changes<br>in Net Position<br>Governmental Activities |
|-----------------------------------|-------------------|-------------------------|---------------------------------------|--|
|                                   |                   | Charges for<br>Services | Operating Grants<br>and Contributions |  |
| Governmental activities:          |                   |                         |                                       |  |
| General government                | <u>\$ 823,621</u> | <u>\$ 829,185</u>       | <u>\$ -</u>                           | <u>\$ 5,564</u>  |
| General revenues:                 |                   |                         |                                       |  |
| Interest and investment earnings  |                   |                         |                                       | 804  |
| Non-employer pension contribution |                   |                         |                                       | <u>49,191</u>  |
| Total general revenues            |                   |                         |                                       | <u>49,995</u>  |
| Change in net position            |                   |                         |                                       | 55,559   |
| Net position, beginning           |                   |                         |                                       | <u>(859,420)</u>   |
| Net position, ending              |                   |                         |                                       | <u>\$ (803,861)</u>  |

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

**FUND FINANCIAL STATEMENTS (FFS)**

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2017

|                                     | <u>General<br/>Fund</u> |
|-------------------------------------|-------------------------|
| <b>ASSETS</b>                       |                         |
| Cash                                | \$ 186,554              |
| Receivables:                        |                         |
| Accounts receivable                 | 18,402                  |
| Accrued interest                    | 281                     |
| Prepaid expenditures                | <u>2,389</u>            |
| Total assets                        | <u>\$ 207,626</u>       |
| <b>LIABILITIES AND FUND BALANCE</b> |                         |
| Liabilities:                        |                         |
| Accounts payable                    | <u>\$ 4,009</u>         |
| Fund balance:                       |                         |
| Nonspendable (prepaid expenditures) | 2,389                   |
| Unassigned                          | <u>201,228</u>          |
| Total fund balance                  | <u>203,617</u>          |
| Total liabilities and fund balance  | <u>\$ 207,626</u>       |

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2017

|   |                  |                     |
|---|------------------|---------------------|
| Total fund balance for the governmental fund at June 30, 2017   |                  | \$ 203,617          |
| Total net position reported for governmental activities in the statement of net position is different because:  |                  |                     |
| The deferred outflows of expenditures for the Clerks' of Court Retirement and Relief Fund are not a use of current resources, and therefore, are not reported in the fund financial statements  |                  | 278,553             |
| Long-term liabilities at June 30, 2017:   |                  |                     |
| Compensated absences  | \$ (3,618)       |                     |
| Net OPEB obligation   | (371,810)        |                     |
| Net pension liability   | <u>(867,547)</u> | (1,242,975)         |
| The deferred inflows of contributions for the Clerks' of Court Retirement and Relief Fund are not available current resources, and therefore, are not reported in the fund financial statements |                  | <u>(43,056)</u>     |
| Total net position of governmental activities at June 30, 2017  |                  | <u>\$ (803,861)</u> |

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

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

|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| <b>Revenues:</b>                              |                         |
| Licenses and permits                          | \$ 3,060                |
| Fees, charges, and commissions for services - |                         |
| Court costs, fees, and charges                | 182,884                 |
| Fees for recording legal documents            | 520,652                 |
| Fees for certified copies                     | 122,589                 |
| Use of money and property -                   |                         |
| Interest earnings                             | <u>804</u>              |
| Total revenues                                | <u>829,989</u>          |
| <b>Expenditures:</b>                          |                         |
| Current -                                     |                         |
| Personal services and related benefits        | 629,820                 |
| Operating services                            | 64,096                  |
| Materials and supplies                        | <u>40,387</u>           |
| Total expenditures                            | <u>734,303</u>          |
| Net change in fund balance                    | 95,686                  |
| Fund balance, beginning of year               | <u>107,931</u>          |
| Fund balance, end of year                     | <u>\$ 203,617</u>       |

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

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

|   |  |                 |                  |
|---|--|-----------------|------------------|
| Total net change in fund balance for the year ended June 30, 2017 per statement of revenues, expenditures and changes in fund balance   |  |                 | \$ 95,686        |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. |  |                 |                  |
| Depreciation expense for the year ended June 30, 2017   |  |                 | (2,340)          |
| Excess of compensated absences used over compensated absences earned  |  |                 | 4,057            |
| Differences between amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements.  |  |                 |                  |
| Net OPEB obligation payable   |  | \$ (32,337)     |                  |
| Net pension liability   |  | <u>(58,698)</u> | (91,035)         |
| Non-employer pension contributions  |  |                 | <u>49,191</u>    |
| Total change in net position for the year ended June 30, 2017 per statement of activities   |  |                 | <u>\$ 55,559</u> |

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds  
June 30, 2017

|                             | <u>Agency<br/>Funds</u> |
|-----------------------------|-------------------------|
| ASSETS                      |                         |
| Cash                        | \$ 290,155              |
| Interest-bearing deposits   | <u>940,481</u>          |
| Total assets                | <u>\$1,230,636</u>      |
| LIABILITIES                 |                         |
| Due to litigants and others | <u>\$1,230,636</u>      |

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement

(1) Summary of Significant Accounting Policies

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

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

B. Basis of Presentation

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

Government – Wide Financial Statements (GWFS)

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the Clerk of Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Clerk of Court is described below:

Governmental Fund -

General Fund

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement

Additionally, the Clerk of Court reports the following fund types:

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Jury Fund – account is to pay jurors who report for Petit and Civil Jury.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities reflects the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

Receivables

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement

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

Compensated Absences

Employees of the Clerk of Court's office earn vacation and sick leave each year as follows:

Vacation –

- (a) Employees with 1 – 12 years earn 9 days per year.
- (b) Employees with 13 – 22 years earn 13 days per year.
- (c) Employees with more than 22 years earn 17 days per year.

Sick leave –

- (a) Employees with 1 – 12 years earn 9 days per year.
- (b) Employees with 13 – 22 years earn 13 days per year.
- (c) Employees with more than 22 years earn 17 days per year.

Vacation and sick leave are accrued annually for the current year only. Unused leave at the end of each calendar year is forfeited. At June 30, 2017, the Clerk of Court has \$3,618 accumulated sick leave benefits required to be reported in accordance with generally accepted accounting principles.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

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

ST. JAMES PARISH CLERK OF COURT  
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Notes to Basic Financial Statement

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

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

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

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

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund’s fund balance that exceeds one-half of the revenues of the clerk’s last year of his term of office. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office.

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Notes to Basic Financial Statement

At June 30, 2017, there was no amount due to the parish treasurer even though the General Fund's fund balance at June 30, 2017 exceeded one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office because the Clerk of Court did not receive any funds from the parish treasurer in accordance with R.S. 13:784(A) during the current term of office.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as Governmental Fund – By Character and Function

F. Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

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G. Bad Debts

Through the establishment of an allowance account, uncollectible amounts due from customers' receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts for customers' receivables at June 30, 2017 was \$569.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$1,417,190 as follows:

|                                | <u>Governmental<br/>Activities</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>        |
|--------------------------------|------------------------------------|----------------------------|---------------------|
| Demand deposits                | \$ 186,554                         | \$ 290,155                 | \$ 476,709          |
| Time and money-market deposits | -                                  | <u>940,481</u>             | <u>940,481</u>      |
| Total                          | <u>\$ 186,554</u>                  | <u>\$1,230,636</u>         | <u>\$ 1,417,190</u> |

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Clerk of Court or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017 are secured as follows:

|  |                     |
|--|---------------------|
| Bank balances  | <u>\$ 1,536,070</u> |
| Federal deposit insurance                              | \$ 458,583          |
| Pledged securities                                     | <u>1,077,487</u>    |
| Total federal deposit insurance and pledged securities | <u>\$ 1,536,070</u> |

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Deposits in the amount of \$1,077,487 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities that are held by the pledging institution's trust department or agent, but not in the Clerk of Court's name. The Clerk of Court does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

|  | <u>Balance</u><br><u>7/1/2016</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Balance</u><br><u>6/30/2017</u> |
|--|-----------------------------------|-------------------|------------------|------------------------------------|
| Governmental activities:                     |                                   |                   |                  |                                    |
| Equipment, furniture, and fixtures           | \$ 182,621                        | \$ -              | \$ -             | \$ 182,621                         |
| Vehicle                                      | <u>35,100</u>                     | <u>-</u>          | <u>-</u>         | <u>35,100</u>                      |
| Total  | 217,721                           | -                 | -                | 217,721                            |
| Less: accumulated depreciation               | <u>215,381</u>                    | <u>2,340</u>      | <u>-</u>         | <u>217,721</u>                     |
| Governmental activities, capital assets, net | <u>\$ 2,340</u>                   | <u>\$ (2,340)</u> | <u>\$ -</u>      | <u>\$ -</u>                        |

Depreciation expense of \$2,340 was charged to general government.

(4) Changes in Compensated Absences Payable

During the year ended June 30, 2017, the following changes occurred in compensated absences transactions and balances:

|   |                 |
|---|-----------------|
| Compensated absences payable at June 30, 2016 | \$ 7,675        |
| Additions                                     | 9,535           |
| Reductions                                    | <u>13,592</u>   |
| Compensated absences payable at June 30, 2017 | <u>\$ 3,618</u> |

(5) Post Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Clerk of Court began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Clerk of Court's future cash flows. Because the Clerk of Court is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

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

Funding Policy: The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk of Court pays the entire premium charge by the LCCA for retirees and their dependents. Retirees are not required to contribute. Surviving spouses are required to pay 100% of the premiums. For fiscal year 2017, the Clerk of Court contributed \$22,492 to the plan and the retirees/surviving spouses’ contributed \$0.

Annual OPEB Cost and Net OPEB Obligation: For 2017, the Clerk of Court’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

|  |                   |
|--|-------------------|
| Annual required contribution               | \$ 60,781         |
| Interest on net OPEB obligation            | 11,882            |
| Adjustment to annual required contribution | <u>(17,833)</u>   |
| Annual OPEB cost (expense)                 | 54,829            |
| Contributions made                         | <u>(22,492)</u>   |
| Increase in net OPEB obligation            | 32,337            |
| Net OPEB obligation - beginning of year    | <u>339,473</u>    |
| Net OPEB obligation - end of year          | <u>\$ 371,810</u> |

The Clerk of Court’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended 2017, 2016, and 2015 are as follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB<br>Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Liability<br>(Asset) |
|-------------------------|------------------------|--|----------------------------------|
| 6/30/2015               | \$ 64,729              | 16.4%  | \$ 306,023                       |
| 6/30/2016               | 55,416                 | 39.6%  | 339,473                          |
| 6/30/2017               | 54,829                 | 41.0%  | 371,810                          |

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Notes to Basic Financial Statement

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2017, was as follows:

|   |                   |
|---|-------------------|
| Actuarial accrued liability (AAL)                 | \$ 795,143        |
| Actuarial valuation of plan assets                | -                 |
| Unfunded actuarial accrued liability (UAAL)       | <u>\$ 795,143</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0%                |
| Covered payroll                                   | \$ 381,835        |
| UAAL as a percentage of Covered Payroll           | 208.2%            |

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amount 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 new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present 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 actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the unit credit cost method was used. Based on the Clerk of Court's 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 8.5% initially, reduced by decrements to an ultimate rate of 5.0% after 13 years. Medicare Supplement trend starts at 4.0% and decreases to 3.0% after 8 years. The Clerk of Court's unfunded actuarial liability is being amortized on a level dollar, open basis over 30 years.

(6) Pension Plan

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

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Notes to Basic Financial Statement

Plan Description – Substantially all employees of the Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund (Fund), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks' of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816.

Retirement Benefits:

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

Disability Benefits:

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

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

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Notes to Basic Financial Statement

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

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008. A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

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

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

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

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

Survivor Benefits:

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

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Deferred Retirement Option Plan:

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

The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation.

The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments:

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

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Notes to Basic Financial Statement

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 19.0%. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Effective July 1, 2013, the Clerk of Court has elected to pay the member's share of the required contribution equal to 8.25% of their annual covered salary.

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

At June 30, 2017, the Clerk reported a liability of \$867,547 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 Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Clerk's proportion was 0.468951%, which was a decrease of 0.00361% from its proportion measured as of June 30, 2016. For the year ended June 30, 2017, the Clerk recognized pension expense of \$126,897 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$6,726.

Actuarial Methods and Assumptions:

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

|                               |  |
|-------------------------------|--|
| Inflation                     | 2.50%  |
| Salary Increases (merit only) | 5.00%  |
| Investment rate of return     | 7.00%  |
| Mortality rates               | RP-2000 Employee Table (set back 4 years for males and 3 years 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 included previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantially automatic. |

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The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2004 through June 30, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 7.20%, for the year ended June 30, 2016.

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2016 is summarized in the following table:

|                                | <u>Target Asset<br/>Allocation</u> | <u>Long-term Expected<br/>Portfolio Real Rate<br/>of Return</u> |
|--------------------------------|------------------------------------|---|
| Fixed Income:                  |                                    |   |
| Core fixed income              | 5.00%                              | 1.00%   |
| Core plus fixed income         | 15.00%                             | 1.50%   |
| Domestic Equity:               |                                    |   |
| Large cap domestic equity      | 21.00%                             | 1.25%   |
| Non-large cap domestic equity  | 7.00%                              | 4.00%   |
| International Equity:          |                                    |   |
| Large cap international equity | 15.50%                             | 5.25%   |
| Small cap international equity | 5.00%                              | 5.00%   |
| Emerging markets               | 6.50%                              | 7.25%   |
| Real Estate                    | 10.00%                             | 4.75%   |
| Master Limited Partnerships    | 5.00%                              | 6.50%   |
| Hedge Funds                    | <u>10.00%</u>                      | 3.50%   |
|                                | <u>100.00%</u>                     |   |

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 Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the Clerk calculated using the discount rate of 7.00%, as well as what the Clerk's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

|                       | <u>1%<br/>Decrease<br/>6.00%</u> | <u>Current<br/>Discount<br/>Rate<br/>7.00%</u> | <u>1%<br/>Increase<br/>8.00%</u> |
|-----------------------|----------------------------------|--|----------------------------------|
| Net Pension Liability | <u>\$ 1,234,504</u>              | <u>\$ 867,547</u>                              | <u>\$ 556,075</u>                |

At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Difference between expected and actual experience   | \$ 8,853                                  | \$ 29,529                                |
| Change of assumptions   | 53,430                                    | -  |
| Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 5,115,000                                 | 13,527                                   |
| Net differences between projected and actual earnings on plan investments   | 149,681                                   | -  |
| Contributions subsequent to the measurement date  | <u>61,474</u>                             | <u>-</u>                                 |
| Total   | <u>\$ 278,553</u>                         | <u>\$ 43,056</u>                         |

Deferred outflows of resources of \$61,474 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> |                  |
|----------------------------|------------------|
| 2018                       | \$ 37,474        |
| 2019                       | 37,474           |
| 2020                       | 60,910           |
| 2021                       | <u>38,165</u>    |
|                            | <u>\$174,023</u> |

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(7) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$28,340 for the year ended June 30, 2017.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(8) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits for the year ended June 30, 2017 follows:

|                   | Unsettled<br>Deposits<br>at Beginning<br>of Year | Additions        | Reductions       | Unsettled<br>Deposits<br>at End<br>of Year |
|-------------------|--|------------------|------------------|--|
| Agency funds:     |  |                  |                  |  |
| Advance Deposit   | \$ 547,090                                       | \$ 583,665       | \$ 485,591       | \$ 645,164                                 |
| Registry of Court | 600,976  | 19,256           | 48,370           | 571,862                                    |
| Jury Fund         | 13,331   | 9,455            | 9,176            | 13,610                                     |
| Totals            | <u>\$1,161,397</u>                               | <u>\$612,376</u> | <u>\$543,137</u> | <u>\$1,230,636</u>                         |

(9) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the St. James Parish Courthouse. The St. James Parish Government pays the upkeep and maintenance of the courthouse. In addition, the Parish Government also pays some of the Clerk of Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(10) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Notes to Basic Financial Statement

(11) Compensation, Benefits, and Other Payment to Agency Head

In accordance with Act 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits, and other payments to Edmond E. Kinler, Jr., Clerk of Court, for the year ended June 30, 2017 follows:

| <u>Purpose</u>                         | <u>Amount</u> |
|--|---------------|
| Salary                                 | \$ 146,249    |
| Benefits - insurance                   | 9,749         |
| Benefits - retirement                  | 12,066        |
| Benefits - deferred compensation       | 11,000        |
| Benefits - voting custodian            | 2,100         |
| Vehicle provided by government         | 6,264         |
| Cell phone                             | 697           |
| Conference travel                      | 276           |
| Continuing professional education fees | 350           |

(12) Litigation and Claims

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

**REQUIRED SUPPLEMENTARY INFORMATION**

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2017  
With Comparative Actual Amounts for the Year Ended June 30, 2016

|  | 2017              |                  |                   | Variance -<br>Positive<br>(Negative) | 2016<br>Actual    |
|--|-------------------|------------------|-------------------|--------------------------------------|-------------------|
|  | Budget            |                  | Actual            |                                      |                   |
|  | Original          | Final            |                   |                                      |                   |
| <b>Revenues:</b>                                     |                   |                  |                   |                                      |                   |
| Licenses and permits                                 | \$ 3,000          | \$ 2,800         | \$ 3,060          | \$ 260                               | \$ 2,675          |
| Fees, charges, and commissions<br>for services -     |                   |                  |                   |                                      |                   |
| Court costs, fees, and charges                       | 167,100           | 171,980          | 182,884           | 10,904                               | 180,100           |
| Fees for recording legal documents                   | 488,100           | 501,460          | 520,652           | 19,192                               | 488,025           |
| Fees for certified copies                            | 77,000            | 119,075          | 122,589           | 3,514                                | 81,105            |
| Use of money and property -                          |                   |                  |                   |                                      |                   |
| Interest earnings                                    | <u>940</u>        | <u>965</u>       | <u>804</u>        | <u>(161)</u>                         | <u>594</u>        |
| Total revenues                                       | <u>736,140</u>    | <u>796,280</u>   | <u>829,989</u>    | <u>33,709</u>                        | <u>752,499</u>    |
| <b>Expenditures:</b>                                 |                   |                  |                   |                                      |                   |
| Current -  |                   |                  |                   |                                      |                   |
| Personal services and related benefits               | 609,715           | 697,810          | 629,820           | 67,990                               | 694,169           |
| Operating services                                   | 60,600            | 65,615           | 64,096            | 1,519                                | 71,393            |
| Materials and supplies                               | <u>35,600</u>     | <u>43,508</u>    | <u>40,387</u>     | <u>3,121</u>                         | <u>37,177</u>     |
| Total expenditures                                   | <u>705,915</u>    | <u>806,933</u>   | <u>734,303</u>    | <u>72,630</u>                        | <u>802,739</u>    |
| Excess (deficiency) of revenues<br>over expenditures | 30,225            | (10,653)         | 95,686            | 106,339                              | (50,240)          |
| Fund balance, beginning of year                      | <u>107,931</u>    | <u>107,931</u>   | <u>107,931</u>    | <u>-</u>                             | <u>158,171</u>    |
| Fund balance, end of year                            | <u>\$ 138,156</u> | <u>\$ 97,278</u> | <u>\$ 203,617</u> | <u>\$ 106,339</u>                    | <u>\$ 107,931</u> |

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Schedule of Funding Progress  
Year Ended June 30, 2017

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial<br/>Accrued<br/>Liabilities<br/>(AAL)</u> | <u>Unfunded<br/>Actuarial<br/>Accrued<br/>Liabilities<br/>(UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL as a<br/>Percentage<br/>of Covered<br/>Payroll</u> |
|---|--|--|--|-------------------------|----------------------------|--|
| July 1, 2009                            | \$ -                                     | \$898,008  | \$898,008  | 0.0%                    | \$439,800                  | 204.20%  |
| July 1, 2012                            | -  | 780,531  | 780,531  | 0.0%                    | 413,126                    | 188.93%  |
| July 1, 2015                            | -  | 795,143  | 795,143  | 0.0%                    | 424,793                    | 187.18%  |

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2017\*

| Year<br>ended<br>June 30, | Employer<br>Proportion<br>of the<br>Net Pension<br>Liability<br>(Asset) | Employer<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | Employer's<br>Covered<br>Employee<br>Payroll | Employer's<br>Proportionate Share<br>of the Net Pension<br>Liability (Asset) as a<br>Percentage of its<br>Covered Employee<br>Payroll | Plan Fiduciary<br>Net Position<br>as a Percentage<br>of the Total<br>Pension Liability |
|---------------------------|---|--|--|---|--|
| 2017                      | 0.468951%   | \$ 867,547   | \$ 368,629                                   | 235.3%  | 74.17%   |
| 2016                      | 0.472561%   | \$ 708,856   | \$ 402,778                                   | 176.0%  | 78.13%   |

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

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

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund  
Schedule of Employer Contributions  
For the Year Ended June 30, 2017

| <u>Year ended<br/>June 30,</u> | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions<br/>in Relation to<br/>Contractual<br/>Required<br/>Contributions</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Employee<br/>Payroll</u> | <u>Contributions<br/>as a % of Covered<br/>Employee Payroll</u> |
|--------------------------------|--|--|---|--|---|
| 2017                           | \$ 61,474  | \$ 61,474  | \$ -  | \$ 323,549   | 19.00%  |
| 2016                           | 70,039   | 70,039   | -   | 368,629  | 19.00%  |

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

**OTHER SUPPLEMENTARY INFORMATION**

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Comparative Statement of Net Position  
June 30, 2017 and 2016

|   | Governmental Activities |             |
|---|-------------------------|-------------|
|   | 2017                    | 2016        |
| <b>ASSETS</b>                             |                         |             |
| Current assets:                           |                         |             |
| Cash                                      | \$ 186,554              | \$ 91,482   |
| Receivables, net                          | 18,402                  | 18,931      |
| Accrued interest                          | 281                     | 281         |
| Prepaid expenditures                      | 2,389                   | 2,104       |
| Total current assets                      | 207,626                 | 112,798     |
| Noncurrent assets:                        |                         |             |
| Capital assets, net                       | -                       | 2,340       |
| Total assets                              | 207,626                 | 115,138     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                         |             |
| Deferred outflows related to pension      | 278,553                 | 154,213     |
| <b>LIABILITIES</b>                        |                         |             |
| Current liabilities:                      |                         |             |
| Accounts and other payables               | 4,009                   | 4,867       |
| Noncurrent liabilities:                   |                         |             |
| Compensated absences payable              | 3,618                   | 7,675       |
| Postemployment benefit obligation payable | 371,810                 | 339,473     |
| Net pension liability                     | 867,547                 | 708,856     |
| Total noncurrent liabilities              | 1,242,975               | 1,056,004   |
| Total liabilities                         | 1,246,984               | 1,060,871   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                         |             |
| Deferred inflows related to pension       | 43,056                  | 67,900      |
| <b>NET POSITION</b>                       |                         |             |
| Invested in capital assets                | -                       | 2,340       |
| Unrestricted (deficit)                    | (803,861)               | (861,760)   |
| Total net position                        | \$(803,861)             | \$(859,420) |

ST. JAMES PARISH CLERK OF COURT  
 Convent, Louisiana  
 General Fund

Comparative Balance Sheet  
 June 30, 2017 and 2016

|                                     | 2017              | 2016              |
|-------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                       |                   |                   |
| Cash                                | \$ 186,554        | \$ 91,482         |
| Receivables:                        |                   |                   |
| Accounts receivable                 | 18,402            | 18,931            |
| Accrued interest                    | 281               | 281               |
| Prepaid expenditures                | <u>2,389</u>      | <u>2,104</u>      |
| Total assets                        | <u>\$ 207,626</u> | <u>\$ 112,798</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                   |                   |
| Liabilities:                        |                   |                   |
| Accounts payable                    | <u>\$ 4,009</u>   | <u>\$ 4,867</u>   |
| Fund balance:                       |                   |                   |
| Nonspendable (prepaid expenditures) | 2,389             | 2,104             |
| Unassigned                          | <u>201,228</u>    | <u>105,827</u>    |
| Total fund balance                  | <u>203,617</u>    | <u>107,931</u>    |
| Total liabilities and fund balance  | <u>\$ 207,626</u> | <u>\$ 112,798</u> |

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues  
Year Ended June 30, 2017  
With Comparative Actual Amounts for the Year Ended June 30, 2016

|  | 2017              |                   | Actual            | Variance -<br>Favorable<br>(Unfavorable) | 2016<br>Actual    |
|--|-------------------|-------------------|-------------------|--|-------------------|
|  | Budget            |                   |                   |  |                   |
|  | Original          | Final             |                   |  |                   |
| Revenues:                                |                   |                   |                   |  |                   |
| Licenses and permits -                   |                   |                   |                   |  |                   |
| Marriage licenses                        | \$ 3,000          | \$ 2,800          | \$ 3,060          | \$ 260                                   | \$ 2,675          |
| Court costs, fees, and charges -         |                   |                   |                   |  |                   |
| Court attendance                         | 6,000             | 3,400             | 3,180             | (220)                                    | 4,620             |
| Criminal costs                           | 70,000            | 68,000            | 77,644            | 9,644                                    | 68,981            |
| Qualifying fees                          | 5,000             | 1,060             | 1,060             | -  | 10,323            |
| Other                                    | <u>86,100</u>     | <u>99,520</u>     | <u>101,000</u>    | <u>1,480</u>                             | <u>96,176</u>     |
| Total court costs, fees and charges      | <u>167,100</u>    | <u>171,980</u>    | <u>182,884</u>    | <u>10,904</u>                            | <u>180,100</u>    |
| Fees for recording legal documents -     |                   |                   |                   |  |                   |
| Recordings                               | 175,000           | 175,000           | 189,206           | 14,206                                   | 180,234           |
| Suits and successions                    | 312,000           | 325,000           | 329,771           | 4,771                                    | 305,942           |
| Mortgage certificates                    | <u>1,100</u>      | <u>1,460</u>      | <u>1,675</u>      | <u>215</u>                               | <u>1,849</u>      |
| Total fees for recording legal documents | <u>488,100</u>    | <u>501,460</u>    | <u>520,652</u>    | <u>19,192</u>                            | <u>488,025</u>    |
| Fees for certified copies -              |                   |                   |                   |  |                   |
| Certified copies                         | <u>77,000</u>     | <u>119,075</u>    | <u>122,589</u>    | <u>3,514</u>                             | <u>81,105</u>     |
| Use of money and property -              |                   |                   |                   |  |                   |
| Interest earned                          | <u>940</u>        | <u>965</u>        | <u>804</u>        | <u>(161)</u>                             | <u>594</u>        |
| Total revenues                           | <u>\$ 736,140</u> | <u>\$ 796,280</u> | <u>\$ 829,989</u> | <u>\$ 33,709</u>                         | <u>\$ 752,499</u> |

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
Year Ended June 30, 2017  
With Comparative Actual Amounts for the Year Ended June 30, 2016

|  | 2017              |                   | Actual            | Variance -<br>Favorable<br>(Unfavorable) | 2016<br>Actual    |
|--|-------------------|-------------------|-------------------|--|-------------------|
|  | Budget            |                   |                   |  |                   |
|  | Original          | Final             |                   |  |                   |
| Current:                                     |                   |                   |                   |  |                   |
| Personal services and related benefits -     |                   |                   |                   |  |                   |
| Salaries:                                    |                   |                   |                   |  |                   |
| Clerk  | \$ 129,936        | \$ 132,955        | \$ 132,954        | \$ 1                                     | \$ 129,936        |
| Deputy clerks                                | 236,700           | 292,200           | 248,881           | 43,319                                   | 294,857           |
| Allowance                                    | 12,993            | 13,295            | 13,295            | -  | 12,993            |
| Clerk supplemental                           | 11,000            | 9,800             | 10,512            | (712)                                    | 10,880            |
| Group insurance                              | 88,610            | 92,861            | 93,548            | (687)                                    | 97,058            |
| Pension                                      | 127,044           | 153,358           | 127,793           | 25,565                                   | 144,844           |
| Medicare tax                                 | <u>3,432</u>      | <u>3,341</u>      | <u>2,837</u>      | <u>504</u>                               | <u>3,601</u>      |
| Total personal services and related benefits | <u>609,715</u>    | <u>697,810</u>    | <u>629,820</u>    | <u>67,990</u>                            | <u>694,169</u>    |
| Operating services -                         |                   |                   |                   |  |                   |
| Professional fees                            | 16,000            | 17,000            | 17,190            | (190)                                    | 15,535            |
| Insurance                                    | 3,000             | 3,660             | 3,047             | 613                                      | 2,604             |
| Election expense allowance                   | 2,100             | 2,448             | 2,748             | (300)                                    | 2,500             |
| Postage                                      | 11,000            | 11,000            | 11,651            | (651)                                    | 9,364             |
| Birth certificates                           | 17,000            | 23,000            | 20,617            | 2,383                                    | 22,640            |
| Bad debts (recoveries)                       | -                 | -                 | (16)              | 16                                       | (101)             |
| Qualifying Fees                              | 3,000             | 1,007             | 1,007             | -  | 9,530             |
| Other  | <u>8,500</u>      | <u>7,500</u>      | <u>7,852</u>      | <u>(352)</u>                             | <u>9,321</u>      |
| Total operating services                     | <u>60,600</u>     | <u>65,615</u>     | <u>64,096</u>     | <u>1,519</u>                             | <u>71,393</u>     |
| Materials and supplies -                     |                   |                   |                   |  |                   |
| Office supplies                              | 29,400            | 37,308            | 35,016            | 2,292                                    | 31,326            |
| Automobile supplies and maintenance          | 3,200             | 3,200             | 3,217             | (17)                                     | 3,142             |
| Dues and subscriptions                       | <u>3,000</u>      | <u>3,000</u>      | <u>2,154</u>      | <u>846</u>                               | <u>2,709</u>      |
| Total materials and supplies                 | <u>35,600</u>     | <u>43,508</u>     | <u>40,387</u>     | <u>3,121</u>                             | <u>37,177</u>     |
| Total expenditures                           | <u>\$ 705,915</u> | <u>\$ 806,933</u> | <u>\$ 734,303</u> | <u>\$ 72,630</u>                         | <u>\$ 802,739</u> |

## **FIDUCIARY FUND TYPE - AGENCY FUNDS**

### **Advance Deposit Fund II -**

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

### **Registry of Court Fund -**

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

### **Jury Fund -**

Act 632 of the State Legislature for the year 1979, authorized payment to Jurors who report for Jury Duty. This account is to pay Jurors who report for Petit and Civil Jury. The monies are collected from the St. James Parish Government or the Advance Deposit Accounts.

ST. JAMES PARISH CLERK OF COURT  
 Convent, Louisiana  
 Agency Funds

Combining Statement of Assets and Liabilities  
 June 30, 2017  
 With Comparative Totals for June 30, 2016

|                                    | <u>Advance<br/>Deposit II</u> | <u>Registry<br/>of Court</u> | <u>Jury<br/>Fund</u> | <u>Totals</u>       |                     |
|------------------------------------|-------------------------------|------------------------------|----------------------|---------------------|---------------------|
|                                    |                               |                              |                      | <u>2017</u>         | <u>2016</u>         |
| ASSETS                             |                               |                              |                      |                     |                     |
| Cash                               | \$ 243,856                    | \$ 32,689                    | \$ 13,610            | \$ 290,155          | \$ 292,400          |
| Interest-bearing deposits          | <u>401,308</u>                | <u>539,173</u>               | <u>-</u>             | <u>940,481</u>      | <u>868,997</u>      |
| Total assets                       | <u>\$ 645,164</u>             | <u>\$ 571,862</u>            | <u>\$ 13,610</u>     | <u>\$ 1,230,636</u> | <u>\$ 1,161,397</u> |
| LIABILITIES                        |                               |                              |                      |                     |                     |
| Due to St. James Parish<br>Council | \$ -                          | \$ -                         | \$ 13,610            | \$ 13,610           | \$ 13,331           |
| Due to litigants                   | <u>645,164</u>                | <u>571,862</u>               | <u>-</u>             | <u>1,217,026</u>    | <u>1,148,066</u>    |
| Total liabilities                  | <u>\$ 645,164</u>             | <u>\$ 571,862</u>            | <u>\$ 13,610</u>     | <u>\$ 1,230,636</u> | <u>\$ 1,161,397</u> |

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2017  
With Comparative Totals for the Year Ended June 30, 2016

|  | <u>Advance<br/>Deposit II</u> | <u>Registry<br/>of Court</u> | <u>Jury<br/>Fund</u> | <u>Total</u>        |                     |
|--|-------------------------------|------------------------------|----------------------|---------------------|---------------------|
|  |                               |                              |                      | 2017                | 2016                |
| ASSETS   |                               |                              |                      |                     |                     |
| Cash, beginning of year                        | \$ 145,782                    | \$ 133,287                   | \$ 13,331            | \$ 292,400          | \$ 355,924          |
| Interest-bearing deposits, beginning of year   | <u>401,308</u>                | <u>467,689</u>               | <u>-</u>             | <u>868,997</u>      | <u>675,901</u>      |
| Total assets, beginning of year                | <u>547,090</u>                | <u>600,976</u>               | <u>13,331</u>        | <u>1,161,397</u>    | <u>1,031,825</u>    |
| Additions:                                     |                               |                              |                      |                     |                     |
| Suits and successions                          | 583,665                       | -                            | -                    | 583,665             | 503,204             |
| Parish   | -                             | -                            | 9,455                | 9,455               | 19,220              |
| Deposits per court order                       | -                             | 18,868                       | -                    | 18,868              | 117,073             |
| Interest                                       | -                             | 388                          | -                    | 388                 | 294                 |
| Total additions                                | <u>583,665</u>                | <u>19,256</u>                | <u>9,455</u>         | <u>612,376</u>      | <u>639,791</u>      |
| Total  | <u>1,130,755</u>              | <u>620,232</u>               | <u>22,786</u>        | <u>1,773,773</u>    | <u>1,671,616</u>    |
| Reductions:                                    |                               |                              |                      |                     |                     |
| Clerk's costs (transferred to General Fund)    | 329,771                       | -                            | -                    | 329,771             | 306,031             |
| Refunds to litigants                           | 59,276                        | 48,359                       | -                    | 107,635             | 72,175              |
| Other*   | 24,645                        | 11                           | 9,176                | 33,832              | 57,717              |
| Sheriff fees                                   | 48,134                        | -                            | -                    | 48,134              | 55,382              |
| Secretary of State                             | 10,950                        | -                            | -                    | 10,950              | 6,051               |
| Judge's supplemental compensation fund         | <u>12,815</u>                 | <u>-</u>                     | <u>-</u>             | <u>12,815</u>       | <u>12,863</u>       |
| Total reductions                               | <u>485,591</u>                | <u>48,370</u>                | <u>9,176</u>         | <u>543,137</u>      | <u>510,219</u>      |
| Cash, end of year                              | 243,856                       | 32,689                       | 13,610               | 290,155             | 292,400             |
| Interest-bearing deposits, end of year         | <u>401,308</u>                | <u>539,173</u>               | <u>-</u>             | <u>940,481</u>      | <u>868,997</u>      |
| Total assets, end of year                      | <u>\$ 645,164</u>             | <u>\$ 571,862</u>            | <u>\$ 13,610</u>     | <u>\$ 1,230,636</u> | <u>\$ 1,161,397</u> |
| LIABILITIES                                    |                               |                              |                      |                     |                     |
| Due to litigants and others, beginning of year | \$ 547,090                    | \$ 600,976                   | \$ 13,331            | \$ 1,161,397        | \$ 1,031,825        |
| Additions                                      | 583,665                       | 19,256                       | 9,455                | 612,376             | 639,791             |
| Reductions                                     | <u>485,591</u>                | <u>48,370</u>                | <u>9,176</u>         | <u>543,137</u>      | <u>510,219</u>      |
| Due to litigants and others, end of year       | <u>\$ 645,164</u>             | <u>\$ 571,862</u>            | <u>\$ 13,610</u>     | <u>\$ 1,230,636</u> | <u>\$ 1,161,397</u> |

\*Other - Witness fees, jury fees, jury commissioners, and court reporter fees.

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scroggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Alan M. Taylor, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
James R. Roy, CPA  
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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

\* A Professional Accounting Corporation

The Honorable Shane Leblanc  
St. James Parish Clerk of Court  
Convent, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Clerk of Court as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the St. James Parish Clerk of Court's basic financial statements and have issued our report thereon dated October 11, 2017.

### Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2017-001 and 2017-002 to be material weaknesses.

## **Compliance and Other Matters**

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

### **St. James Parish Clerk of Court's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Lafayette, Louisiana  
October 11, 2017

ST. JAMES PARISH CLERK OF COURT  
Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
*For the Year Ended June 30, 2017*

| Ref. No.                         | Fiscal Year<br>Finding<br>Initially<br>Occurred | Description of finding  | Corrective<br>Action<br>Taken | Corrective Action Planned   | Name of<br>Contact Person        | Anticipated<br>Completion<br>Date |
|----------------------------------|---|---|-------------------------------|---|----------------------------------|-----------------------------------|
| <u>CURRENT YEAR (6/30/17) --</u> |   |   |                               |   |                                  |                                   |
| <u>Internal Control:</u>         |   |   |                               |   |                                  |                                   |
| 2017-001                         | Unknown   | The Clerk did not have adequate segregation of functions within the accounting system.  | N/A                           | No response is considered necessary.  | Shane Leblanc,<br>Clerk of Court | N/A                               |
| 2017-002                         | 2008  | The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes. | N/A                           | The Clerk has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation. | Shane Leblanc,<br>Clerk of Court | N/A                               |
| <u>PRIOR YEAR (6/30/16) --</u>   |   |   |                               |   |                                  |                                   |
| <u>Internal Control:</u>         |   |   |                               |   |                                  |                                   |
| 2016-001                         | Unknown   | The Clerk did not have adequate segregation of functions within the accounting system.  | N/A                           | No response is considered necessary.  | Shane Leblanc,<br>Clerk of Court | N/A                               |
| 2016-002                         | 2008  | The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes. | N/A                           | The Clerk has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation. | Shane Leblanc,<br>Clerk of Court | N/A                               |

**ST. JAMES PARISH CLERK OF COURT**

St. James, Louisiana

Independent Accountants' Report  
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

\* A Professional Accounting Corporation

The Honorable Shane Leblanc  
St. James Parish Clerk of Court  
St. James, Louisiana and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the St. James Parish Clerk of Court (Clerk) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Clerk's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the Clerk is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

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

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

*There were no exceptions noted as a result of applying this procedure.*

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.

*Written policies and procedures were obtained and addressed the functions noted above except for how vendors are added to the vendor list.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*Written policies and procedures were obtained and addressed the functions noted above except for reviewing and approving time and attendance records and including leave and overtime worked.*

- 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.

*Written policies and procedures were obtained and address the functions noted above except how the contracts are monitored.*

- 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.

*Written policies and procedures were obtained and address the functions noted above except for the required documentation, required approvers, and how the card's usage is monitored.*

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

*Written policies and procedures were obtained and address the functions noted above, except for the documentation requirements.*

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

*Written policies and procedures were obtained and address the functions noted above, except for actions to be taken if an ethics violation takes place and the system to monitor possible ethics violation.*

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*The Clerk does not have debt service and therefore, this attribute is not applicable.*

#### **Board (or Finance Committee, if applicable)**

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*The Clerk does not have a Board or Finance Committee, and therefore, this procedure is not applicable.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*This procedure is not applicable to the Clerk.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*This procedure is not applicable to the Clerk.*

### ***Bank Reconciliations***

---

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

*A listing of client bank accounts and management's representation that listing is complete were obtained.*

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

- a) Bank reconciliations have been prepared;

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that reconciliations have been prepared for all months.*

- 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

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was not documented on the reconciliations.*

- 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.

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that there was no review of items outstanding greater than 6 months.*

### ***Collections***

---

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

*A listing of cash collection locations and management's representation that the listing is complete were obtained.*

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

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

*In the cash collection location selected, the person responsible for collecting cash is bonded, is not responsible for depositing cash in the bank, recording transactions, or reconciling the bank account. The Clerk has one collection location and the cash drawer is shared with multiple employees.*

- 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.

*There is a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.*

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

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

*The highest (dollar) week of cash collections for the one collection location was obtained along with collection documentation, deposit slips, and bank statements. The location had one deposit within four days of collection, one within three days, and one within two days.*

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.

*All collections were completely supported by documentation for each of the two locations tested.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*In all locations, there is a process defined to determine the completeness of all collections by a person who is not responsible for collections.*

#### **Disbursements – General (excluding credit card/debit card/fuel card/P-card purchases or payments)**

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

*A listing of disbursements and management's representation that the listing is complete were obtained.*

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.

*The Clerk's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system; therefore, this procedure is not applicable.*

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

*The Clerk's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system; therefore, this procedure is not applicable.*

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

*The Clerk's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system; therefore, this procedure is not applicable.*

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.

*The Clerk does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the Clerk's purchasing/disbursement 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.

*The Clerk does not have written documentation that prohibits the person with signatory authority or the person that makes the final authorization for disbursements from initiating or recording purchases.*

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.

*Inquiry of management indicated that unused check stock is maintained in a locked location.*

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

*The Clerk does not use signature stamps or a signature machine.*

#### ***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.

*A listing of active credit cards, bank debit cards, fuel cards and the name of the person who maintains possession of the cards and management's representation that the listing is complete were obtained.*

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.

*There were only two active credit cards for the year.*

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*Monthly statements were obtained noting there was no written evidence that the monthly credit card statements and supporting documentation had been approved by someone other than the card holder.*

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

*There were no finance charges and/or late fees assessed on any of the cards selected.*

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)

*For each of the transactions tested, three transactions did not have the original receipt for gas purchases.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*The written policies did not require any other documentation.*

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

*There were no exceptions noted as a result of the testing of transaction details to the Clerk's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*There were no exceptions noted as a result of applying this procedure.*

## ***Travel and Expense Reimbursement***

---

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

*A listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.*

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.

*The Clerk's written policies relating to travel and expense reimbursements was obtained.*

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.

*There were no exceptions noted as a result of applying this procedure.*

- 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.]

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*Two of the travel expense reimbursed did not have documentation of being reviewed or approved by someone other than the person receiving the reimbursement.*

## ***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.

*A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.*

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.

*There were no exceptions noted as a result of applying this procedure.*

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

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*There were no exceptions noted as a result of applying this procedure.*

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

*The Clerk did not solicit quotes for contracts that did not meet the requirements of the Public Bid Law.*

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

*There were no contract amendments.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*The Clerk does not have a Board.*

## ***Payroll and Personnel***

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

*A listing of employees with their related salaries and management's representation that the listing is complete were obtained. Five employees were randomly selected and their personnel files were obtained.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

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

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

*All selected employees did not have daily attendance and leave documented.*

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

*The selected employees did not have written documentation that the supervisor approved attendance and leave.*

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

*The selected employees did not maintain complete written documentation of leave records.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

**Ethics (excluding nonprofits)**

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- 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.

*There were no exceptions noted as a result of applying this procedure.*

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.

*Management asserted that they have received no allegations during the fiscal period.*

#### ***Debt Service (excluding nonprofits)***

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

*No debt was issued during the fiscal period.*

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

*The Clerk does not have any outstanding debt.*

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

*The Clerk has no tax millages relating to debt service.*

#### ***Other***

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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.

*Management has asserted that the entity did not have any misappropriations of public funds or assets.*

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

*The Clerk does have the required notices posted on its premises and website.*

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

*No exceptions were noted as a result of applying this procedure.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the St. James Parish Clerk of Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

St. James, Louisiana  
October 11, 2017