

Pointe Coupee Parish Clerk of Court
New Roads, Louisiana
Annual Financial Report
June 30, 2018

POINTE COUPEE PARISH CLERK OF COURT

Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report	1- 3
Required Supplementary Information (Part 1 of 2)	
Managements Discussion and Analysis	4-7
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	13
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities	14
Notes to the Basic Financial Statements	15-40
Required Supplementary Information (Part 2of 2)	
Budgetary Comparison Schedule: General Fund	41-42
Schedule of Changes in Total OPEB Liability and Related Ratios	43
Schedule of Employer's Share of Net Pension Liability	44
Schedule of Employer's Contributions to the Pension Plan	45
Notes to Required Supplementary Information	46-49

POINTE COUPEE PARISH CLERK OF COURT

Table of Contents

	<u>Page(s)</u>
Supplementary Information	
Combining Statement of Fiduciary Assets and Liabilities	50
Schedule of Changes in Fiduciary Assets and Liabilities	51
Schedule of Compensation, Benefits and Other Payments to Agency Head	52
Internal Control, Compliance, and Other Matters	
Independent Auditor's	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53-54
Schedule of Findings and Responses	55-56
Summary of Prior Year Findings	57



J. WALKER & COMPANY_{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

The Honorable Lanelle Swindler Landry
Pointe Coupee Parish Clerk of Court
New Roads, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Pointe Coupee Parish Clerk of Court (the "Clerk"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Pointe Coupee 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OFFICES:

2740 RUE DE JARDIN
STE.100

LAKE CHARLES
LOUISIANA 70605
(O) 337-478-7902
(F) 337-478-3345

5100 WESTHEIMER
SUITE 231
HOUSTON
TEXAS 77056
(O) 713-588-4460
(F) 713-966-6125

WWW.JWALKERCO.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Opinion

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 Pointe Coupee Parish Clerk of Court, a component unit of the Pointe Coupee Parish Police Jury, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018, on our consideration of the Pointe Coupee Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pointe Coupee Parish Clerk of Court's internal control over financial reporting and compliance.

J. Walker & Company, APC

Lake Charles, Louisiana

December 14, 2018



Management's Discussion & Analysis

POINTE COUPEE PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

The purpose of the management's discussion and analysis (MD&A) is to introduce the basic financial statements and provide an analytical overview of the Pointe Coupee Parish Clerk of Court's financial activities. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements beginning on page 8.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This annual report consists of three components - (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also supplementary information contained in this report provided for additional information. The government-wide financial statements provide information about the activities of the Clerk of Court as a whole and present a longer-term view of its finances. Fund financial statements depict how these activities were financed in the short-term as well as what remains for future spending.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the Clerk from an economic resource measurement focus using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. They include a statement of net position and statement of activities.

Statement of Net Position. This statement presents information on all of the Clerk's assets, deferred outflows of resources, liabilities and inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Clerk of Court's office is improving or not.

Statement of Activities. This statement presents information showing how the Clerk's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Clerk's financial reliance on general revenues.

The government-wide financial statements can be found on pages 8 - 9 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Clerk of Court has two category of funds: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Clerk of Court's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year. Because the view of governmental funds is short-term while government-wide financial statements is long-term; it is useful to compare these two perspectives. The governmental funds provide reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints. These statements can be found on pages 10-13 of this report.

Fiduciary Funds. The Clerk of Court is the trustee, or fiduciary, over assets which can only be used for the trust beneficiaries; these include advance deposits, registry of court and indigent transcript funds. The activity of these funds are reported separately in the statement of fiduciary assets and liabilities on page 14 and schedule of changes in fiduciary assets and liabilities found in supplementary information. These activities are excluded from government-wide financial

POINTE COUPEE PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2018

statements because the assets of fiduciary funds cannot be used to finance operations of the Clerk.

NOTES TO THE FINANCIAL STATEMENTS

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

FINANCIAL ANALYSIS OF THE CLERK OF COURT

The net position from FY2017 to FY2018 decreased by \$240,151. These net positions arose primarily because of the implementation of accounting for pension obligations and not because of poor cash management. A comparison with the prior year follows:

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Current and other assets	\$ 1,636,962	\$ 1,208,288
Capital assets, net	<u>21,362</u>	<u>32,303</u>
Total Assets	<u>1,658,324</u>	<u>1,240,591</u>
Deferred outflows of resources	218,870	206,445
<u>Liabilities</u>		
Current liabilities	22,487	20,604
Long-term liabilities	<u>1,883,587</u>	<u>1,194,026</u>
Total Liabilities	1,906,074	1,214,630
Deferred inflows of resources	58,375	79,510
<u>Net Position</u>		
Net investment in capital assets	21,362	32,286
Unrestricted (Deficit)	<u>(108,617)</u>	<u>120,610</u>
Total Net Position	<u><u>(87,255)</u></u>	<u><u>152,896</u></u>

POINTE COUPEE PARISH CLERK OF COURT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2018**

Total Revenues increased by \$557,220 due in part to increasing fees charged for services, while expenditures decreased by \$139,730. A summary of changes follows:

**SUMMARY OF CHANGES IN NET POSITION
Governmental Activities**

	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Charges for services	1,264,125	839,740
Operation Grants		
General revenues:	11,974	24,000
Interest earned	156,631	2,328
Other revenues	<u>10,029</u>	<u>19,471</u>
Total Revenues	<u>1,442,759</u>	<u>885,539</u>
<u>Expenses</u>		
General government	<u>815,063</u>	<u>954,793</u>
Change in net position	627,696	(69,254)
Net position, beginning, Restated	<u>(714,951)</u>	<u>85,462</u>
Net position, ending	<u><u>(87,255)</u></u>	<u><u>16,208</u></u>

BUDGETARY HIGHLIGHTS

The Clerk of Court received \$607,859 more in revenues than it anticipated during the current year. Expenditures were \$ 21,012 less than the amount budgeted. There was no budget amendment during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: The Clerk of Court's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2018 and 2017, was \$21,362 and \$32,303. There were no additions during the year.

Capital assets at year-end are summarized as follows:

	<u>2018</u>	<u>2017</u>
CAPITAL ASSETS		
Net of Accumulated Depreciation		
Governmental Activities		
Depreciable Assets		
Equipment and Furniture, net	<u>\$ 21,362</u>	<u>\$32,303</u>

POINTE COUPEE PARISH CLERK OF COURT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2018**

LONG -TERM DEBT

Long-term obligations of the Clerk include \$1,115,027 in post-employment benefits for the year ended June 30, 2018, an increase of \$ 763,363 which is the annual required contribution based on actuarial estimations less contributions made during the year. GASB adopted Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension to replace GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer.

Also reported is the Clerk's proportionate share of pension liability totaling \$762,646 at June 30, 2018, a decrease \$70,407 from 2017. This liability is being reported in accordance with GASB Statement No. 68 implemented in the prior year. Also associated with this obligation are deferred outflows of \$218,870 and deferred inflows of \$58,375 at June 30, 2018.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Clerk of Court's finances, comply with finance-related laws and regulations and demonstrate the Clerk of Court's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the Pointe Coupee Parish Clerk of Court, 201 E Main Street, New Roads, Louisiana 70760, (225) 638-9596.

Basic Financial Statements

POINTE COUPEE PARISH CLERK OF COURT

Statement of Net Position
Year Ended June 30,2018

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 665,552
Investments	913,875
Accounts receivable, net	28,577
Other current assets	28,958
Noncurrent Assets	
Capital assets, net of accumulated depreciation	21,362
Total Assets	1,658,324
DEFERRED OUTFLOW OF RESOURCES	
Related to pension	211,412
Related to OPEB	7,458
Total Deferred Outflow of Resources	218,870
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 1,877,194
LIABILITIES	
Current Liabilities	
Accounts payable	19,527
Accrued liabilities	2,960
Noncurrent liabilities	
Compensated absences	5,914
OPEB obligations	1,115,027
Net pension liability	762,646
Total Liabilities	1,906,074
DEFERRED INFLOWS OF RESOURCES	
Related to pension	58,375
NET POSITION	
Net investment in capital assets	21,362
Unrestricted (deficit)	(108,617)
Total Net Position (deficit)	(87,255)
TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOW OF RESOURCES	\$ 1,877,194

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

POINTE COUPEE PARISH CLERK OF COURT

Statement of Activities
Year Ended June 30, 2018

Activities	Expense	Program Revenue		Net (Expense) Revenue Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 815,063	\$ 1,264,125	\$ 11,974	\$ 461,036
Total governmental activities	<u>815,063</u>	<u>1,264,125</u>	<u>11,974</u>	<u>461,036</u>
General revenues:				
Interest and investment earnings				156,631
Miscellaneous				<u>10,029</u>
Total general revenues				<u>166,660</u>
Change in net position				627,696
Net position (deficit) - July 1, 2017				<u>16,208</u>
Change in Accounting Principle				<u>(731,159)</u>
Net position (deficit) - June 30, 2018				<u>\$ (87,255)</u>

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

POINTE COUPEE PARISH CLERK OF COURT

Balance Sheet
Governmental Funds
Year Ended June 30, 2018

ASSETS

	<u>General Fund</u>
<u>Assets:</u>	
Cash and cash equivalents	\$ 665,552
Investments	913,875
Accounts receivable, net	28,577
Other current assets	<u>28,710</u>
Total Assets	<u>\$ 1,636,714</u>

LIABILITIES AND FUND BALANCES

<u>Liabilities:</u>	
Accounts payable	\$ 19,527
Accrued liabilities	<u>2,960</u>
Total Liabilities	22,487
<u>Fund Balance:</u>	
Unassigned	<u>1,614,227</u>
Total Fund Balances	<u>1,614,227</u>
Total Liabilities and Fund Balances	<u>\$ 1,636,714</u>

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

POINTE COUPEE PARISH CLERK OF COURT

Reconciliation of the Governmental Funds Balance Sheet
To the Government-wide Statement of Net Position
Year Ended June 30, 2018

Total Fund Balances – Governmental Funds	\$ 1,614,227
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation reported on the Statement of Net Position</p>	21,362
<p>Prepaid insurance premiums in governmental activities are recognized as expenditures for governmental funds</p>	248
<p>Deferred inflows and outflows of contributions for the Clerk's employees' retirement system are not available resources and, therefore, are not reported in the governmental funds balance sheets</p>	
Pension related inflows	(58,375)
Pension related outflows	211,412
OPEB related outflows	7,458
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheets</p>	
Compensated Absences	(5,914)
OPEB Obligations	(1,115,027)
Net Pension Liability	<u>(762,646)</u>
Total Net Position (deficit) – Governmental Activities	<u>\$ (87,255)</u>

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

POINTE COUPEE PARISH CLERK OF COURT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

REVENUES

Licenses and permits	\$	3,053
Intergovernmental revenues		
Clerk's supplemental compensation		23,350
Charges for services:		
Court costs and fees		734,108
Recording fees		287,698
Certified copies and photocopies fees		92,398
Public search fees		118,936
Election/qualifying fees		4,582
Miscellaneous		10,029
Grants		11,974
Use of money and property:		
Investment income		<u>156,631</u>
 Total Revenues		 1,442,759

EXPENDITURES

Salaries and related benefits		446,219
Group insurance and retirement benefits		248,057
Insurance - other		9,408
Office supplies and expenses		33,155
Postage and shipping		7,497
Equipment rental and expenses		10,482
Recording costs		41,681
Technical services and fees		63,255
Election expenses		7,285
All other		<u>3,049</u>
 Total Expenditures		 <u>870,088</u>
 Change in Fund Balance		 572,671
 Fund Balance, beginning		 <u>1,041,556</u>
 Fund Balance, ending	\$	 <u>1,614,227</u>

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

POINTE COUPEE PARISH CLERK OF COURT

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2018

Net Change in Fund Balance – Governmental Funds (General Fund)	\$ 572,671
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Governmental funds report capital outlays as expenditures in the individual fund, however, in the Statement of Activities, the cost of those assets is allocated over their estimated lives as depreciation	
Capital Outlay	4,333
Depreciation Expense	(15,274)
Expense not requiring the use of current economic resources, and therefore, not recorded as a fund expenditure	
Retirement Contribution	260,428
Pension Expense	(124,109)
OPEB Expense	<u>(70,353)</u>
Change in net position (governmental-wide financial statements)	<u>\$ 627,696</u>

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

POINTE COUPEE PARISH CLERK OF COURT

Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
Year Ended June 30, 2018

	<u>Total</u>
ASSETS	
Current assets:	
Cash and cash equivalents	<u>\$ 1,039,774</u>
Total Assets	<u>\$ 1,039,774</u>
Liabilities	
Due to general fund	\$ 25,769
Held in trust for others	<u>1,014,005</u>
Total Liabilities	<u>\$ 1,039,774</u>

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

POINTE COUPEE PARISH CLERK OF COURT

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

Introduction

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

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

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

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

Basis of Presentation

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

Basic Financial Statements – Government-wide Statements

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

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

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

receivables as well as long-term obligations. Net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The Clerk first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities are derived from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

Allocation of Indirect Expenses

The Clerk reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in direct expenses of each function.

Basic Financial Statements – Fund Financial Statements

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

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

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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

Governmental Fund Type:

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

Fiduciary Fund Type:

Agency Funds - The Advance Deposit and Registry of Court Funds account for assets held as an agent for others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

Basis of Accounting/Measurement Focus

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

Measurement Focus

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

In the fund financial statements, the "current financial resources" measurement focus of the "economic resources" measurement focus is used as appropriate. The government fund utilized a "current financial resources" measurement focus. Only current financial assets and liabilities are

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources at the end of the period.

Basis of Accounting

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

Accrual

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

Modified Accrual

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

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under modified accrual basis accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures.

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

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

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

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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

Budget Practices

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

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

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

Encumbrances

The Clerk does not employ encumbrance accounting.

Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Investments include amounts in time deposits and those investments with original maturities that do not exceed 90 days. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

Clerk’s Fees Transferred from Advance Deposit Agency Fund

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

Compensated Absences

Vacation leave accrues as follows:

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

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

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Computer Equipment	3 Years
Office Equipment	5 Years
Furniture & Fixtures	7 - 10 Years

Use of Estimates

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

Net Position/Fund Balances

Government-wide and net position displayed in three components:

Net Investment in Capital Assets

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

Restricted Net Position

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

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

Unrestricted Net Position

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

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

Non-spendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

All amounts not included in other spendable classifications.

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

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018

Net Pension Liability

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 system. 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.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

New GASB Statement

During the year ended June 30, 2018 the Pointe Coupee Parish Clerk of Court adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75")* to replace GASB 45.

Note 2 – Cash, Cash Equivalents and Investments

At June 30, 2018 the Clerk of Court has the following cash and investments (book balances).

	Governmental Funds	Fiduciary Funds	Total
Petty cash and change funds	665,552	-	\$ 665,552.00
Demand deposits	-	-	-
Money market account	-	1,039,774	1,039,774
	<u>\$ 665,552</u>	<u>\$ 1,039,774</u>	<u>\$ 1,705,326</u>
Certificates of deposit	538,407	-	538,407
U.S. Government Bonds	134,662	-	134,662
LAMP	240,806	-	240,806
	<u>\$ 913,875</u>	<u>\$ -</u>	<u>\$ 913,875</u>

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018

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

Bank balances	\$ 2,484,487
FDIC Insurance	800,000
Pledged Securities	1,003,047
Government backed	<u>372,539</u>
	<u>\$ 2,175,586</u>

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

Credit Risk

The Clerk's investments in Federal Home Loan Mortgage Corporation Notes have a Moody's Long Term Rating AA+, Long Term Outlook: Stable

At June 30, 2018, cash equivalents include \$240,806 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2018 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in the physical or book entry form.

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

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

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

- *Credit risk:* LAMP is rated AAA by Standard & Poor's.
- *Custodial credit risk:* LAMP's participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

- *Concentration of credit risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest rate risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER-days) (from LAMP's monthly Portfolio Holdings) as of (DATE-month-end.)
- *Foreign currency risk:* Not applicable to 2A7-like pools.

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

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

NOTE: This disclosure is effective for the periods ending after April 10, 2017 – the date LAMP amended its investment policy.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, INC 650 Poydras Street, Suite 2220 New Orleans, LA 70130 or contact LAMP administrative office at 800-249-5267.

Note 3 – Accounts Receivable

The Clerk's office held accounts receivable in the following amounts at year end:

Charges for Services	\$ 28,577
----------------------	-----------

Note 4 – Interfund Receivables and Payables

At June 30, 2018 the Fiduciary Fund – Advance Deposit owed the General Fund \$25,769, which represented clerk fees for the month of June 2018.

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

Note 5 – Capital Assets

Depreciable assets and depreciation activity for the year ended June 30, 2018 as follows:

<u>Capital Assets Being Depreciation</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Furniture/Equipment	\$ 210,955	\$ 4,333		\$ 215,288
Less: Accumulated Depreciation	(178,652)	(15,274)	-	(193,926)
Net Capital Assets	<u>\$ 32,303</u>	<u>\$ (10,941)</u>	<u>\$ -</u>	<u>\$ 21,362</u>

Note 6 – Leases

The Clerk of Court has various operating leases for copiers and mailing equipment. Rental and maintenance paid during the year on this equipment totaled \$9,834 and \$648, respectively.

Note 7 – Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2018:

Accounts Payable	\$ 19,527
Accrued Expenses	<u>2,960</u>
Total	<u>\$ 22,487</u>

Note 8 – Changes in Long-Term Liabilities

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

	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2018</u>
Net OPEB Obligation	\$ 351,664	763,363	-	\$ 1,115,027
Net Pension Liability	<u>833,154</u>	<u>-</u>	<u>70,508</u>	<u>762,646</u>
	<u>\$ 1,184,818</u>	<u>\$ 763,363</u>	<u>\$ 70,508</u>	<u>\$ 1,877,673</u>

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

Note 9 – Pension Plan

Plan Description

Employees of Pointe Coupee Parish Clerk of Court are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issue a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

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

Retirement Benefits

The age and years of creditable service required for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan.

Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

1. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

2. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation. Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

3. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

4. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers.

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

The rates in effect during the year ended June 30, 2018 for the various plans follow:

Plan	Plan Status	Employee Rate	Employer Rate
Appellate Law Clerks	Closed	7.50%	37.90%
Appellate Law Clerks hired on or after 7/01/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	32.70%
Bridge Police	Closed	8.50%	36.50%
Bridge Police hired on or after 7/01/06	Closed	8.50%	36.50%
Corrections Primary	Closed	9.00%	33.20%
Corrections Secondary	Closed	9.00%	37.60%
Harbor Police	Closed	9.00%	6.10%
Hazardous Duty	Open	9.50%	38.30%
Judges hired before 1/01/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.60%
Judges hired on or after 7/01/15	Open	13.00%	39.60%
Legislators	Closed	11.50%	41.70%
Optional Retirement Plan (ORP) before 7/01/06*	Closed	7.50%	33.80%
Optional Retirement Plan (ORP) on or after 7/01/06*	Closed	8.00%	33.80%
Peace Officers	Closed	9.00%	36.70%
Regular Employees hired before 7/01/06	Closed	7.50%	37.90%
Regular Employees hired on or after 7/01/06	Closed	8.00%	37.90%
Regular Employees hired on or after 1/01/11	Closed	8.00%	37.90%
Regular Employees hired on or after 7/01/15	Open	8.00%	37.90%
Special Legislative Employees	Closed	9.50%	43.70%
Wildlife Agents	Closed	9.50%	46.60%

*For ORP the projected employer contribution effort was calculated using the shared UAL portion of the contribution rate.

The information above can be found in the current Employer Pension Audit Report located <https://lasersonline.org/employers/gasb-68-resources/> . The data provided is sample data only.

The agencies contractually required composite contribution rate for the year ended June 30, 2018 was 19% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$86,403 for the year ended June 30, 2018.

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

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

At June 30, 2018, the Employer reported a liability of \$762,646 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers actuarially determined. At June 30, 2017, the Agency's proportion was 0.504084%, which was an increase of 0.010271% from its proportion measured as of June 30, 2016.

At June 30, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources:</u>	<u>Deferred Inflows of Resources:</u>
Differences between expected and actual experience	\$ 23,096	\$ 20,012
Net difference between projected and actual investment earnings on investments	10,445	-
Changes of assumptions	33,262	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	64,298	38,363
Town contributions subsequent to the measurement date	80,311	-
Total	<u>\$ 211,412</u>	<u>\$ 58,375</u>

The information above can be found in the current GASB 68 Schedules by Employer located <https://lasersonline.org/employers/gasb-68-resources/>.

80,311 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018.

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

Year ended June 30:	
2019	\$ 18,450
2020	45,147
2021	20,459
2022	<u>(11,330)</u>
Total:	<u>\$ 72,726</u>

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.00%, net of investment expense
Projected Salary Increases	5.00%
Inflation Rate	2.50%
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)
Expected Remaining Service Lives	2017 - 5 years 2016 - 5 years 2015 - 5 years 2014 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively

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

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, 2009 through June 30, 2014.

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.

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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 7.60%, for the year ended June30, 2017.

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, 2017, is summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
LACRF*		
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.25%
Domestic Equity:		
Large cap domestic equity	21.00%	5.25%
Non-large cap domestic equity	7.00%	5.00%
International Equity:		
Large cap international equity	14.00%	5.25%
Small cap international equity	6.50%	5.25%
Emerging markets	6.50%	7.25%
Real estate	10.00%	4.50%
Master limited partnerships	5.00%	7.00%
Hedge funds	10.00%	3.00%
	100.00%	

* Arithmetic real rates of return

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

Schedule of Employer Allocations

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

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

calculating each employer’s proportionate share of the pension amounts.

The allocation method used in determining each employer’s proportion was based on each employer’s contributions to the Fund during the fiscal year ended June 30, 2018 as compared to the total of all employers’ contributions received by the Fund during the fiscal year ended June 30, 2018.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the Employer’s proportionate share of the 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 as of June 30, 2017:

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Discount Rates	6.00%	7.00%	8.00%
Net Pension Liability	\$1,167,122	\$762,646	\$419,260

The information above can be found in the current GASB 68 Schedules of Employer located <https://lasersonline.org/employers/gasb-68-resources/> .

Contributions: Proportionate Share

Differences between contributions remitted to the Fund and the employer’s proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Payables to the System

The Clerk of Court recorded an accrued liability of \$8,791.40, for the System for the year ended, June 30, 2018 for the contractually required contribution for the month of June 2018. The amount is included in accounts and other payables in the statement of net position.

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

Note 10 – Post Retirement Benefits Other Than Pensions

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

Benefits provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 50% of dependent pre Medicare health, Medicare Supplement, vision, dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

Employees covered by benefit terms. At January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	6
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>8</u>
Total	<u><u>14</u></u>

Total OPEB Liability

The Clerk's total OPEB liability of \$1,115,027 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018.

POINTE COUPEE PARISH CLERK OF COURT

Notes to the Financial Statements (Continued) For the Year Ended June 30, 2018

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

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.62%
Health Care Cost Trend Rates	
Medical:	Initially 7.5%, decreasing 0.25% per year to an ultimate rate of 5.0%
Medicare Supplement:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for
Vision:	3.0% per year
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 50% for dependents.
Medicare Supplement:	0% for retirees and 50% for dependents.
Dental:	0% for retirees and 50% for dependents.
Vision:	0% for retirees and 50% for dependents.
Basic life Insurance:	0%

The discount rate was based on the 6/30/2018 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

Mortality rates for retirees and surviving spouses were based on the RPH-2014 Healthy Annuitant Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

Changes in the Total OPEB Liability

Service Cost	\$	29,663
Interest Cost		39,447
Changes of benefit terms		-
Difference between Actual and Expected Experience		8,701
Changes in Assumptions/Inputs		-
Benefit payments		<u>(45,607)</u>
Net Change in Total OPEB Liability		32,204
Total OPEB Liability- beginning		<u>1,082,823</u>
Total OPEB Liability - end		<u>\$ 1,115,027</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease <u>2.62%</u>	Current Discount Rate <u>3.62%</u>	1% Decrease <u>4.62%</u>
Total OPEB Liability	<u>\$1,292,996</u>	<u>\$1,115,027</u>	<u>\$970,975</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Current Discount Rate <u></u>	1% Decrease <u></u>
Total OPEB Liability	<u>\$990,611</u>	<u>\$1,115,027</u>	<u>\$1,199,915</u>

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

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

For the year ended June 30, 2018, the Clerk recognized an OPEB expense of \$70,353. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	7,458	-
Changes of assumptions or other inputs	-	-
Total Deferred Outflows and Inflows	\$ 7,458	\$ -

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

Year Ended June 30:	
2019	1,243
2020	1,243
2021	1,243
2022	1,243
2023	1,243
Thereafter	1,243
Total	\$ 7,458

Payables to the OPEB Plan

At June 30, 2018, the Clerk did not have any amounts owed to the OPEB plan.

Note 11 – Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court’s full-time employees, permits employees to defer a portion of their salary until future years. The Clerk of Court matched 100% of the employee contributions, limited to a percent of gross salary. The Clerk of Court’s contribution to the plan amounted to \$34,341 for the year ended June 30, 2018.

Note 12 – Compensated Absences

At June 30, 2018 a liability of \$5,914 for compensated absences was recorded which represents earned but unused vacation leave.

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

Note 13 – Risk Management

General Liability Insurance – The Clerk of Court is subject to various risks of loss due to tort, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters, and automobile liability. The Clerk purchases commercial insurance policies to protect against loss related to these risks. Payment of the deductible is the only liability associated with these insurance policies. During the years ended June 30, 2018, 2017, and 2016 there were no significant reduction in the amount of coverage maintained by the Clerk of Court.

Note 14 – Litigation

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2018.

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

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

Note 16 – Excess Fund Balance

R.S. 13:785 requires that every four years (at close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund’s fund balance that exceeds one-half of the revenues of the Clerk’s last year of her term of office. This payment is limited to no more than that which was received by the Clerk in accordance with R.S. 13:784 (A) during said term of office. The Parish Police Jury has not provided any direct funds to the Clerk under statute R.S. 17:784(A). At June 30, 2018 there was no amount due to the parish treasurer.

Note 17 – Fund Balance

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

Unassigned	<u>\$ 1,614,227</u>
Total Fund Balance	<u>\$ 1,614,227</u>

Note 18 – Change in Accounting Principal

In June 2015, the Governmental Standards Board (GASB) approved Statement NO.75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. GASB Statement NO.75 will improve accounting and financial reporting by state and local governments for implemented by the Clerk during the year ended June 30, 2018, The Statement established standards for recognizing and measuring liabilities, deferred outflows of resources,

POINTE COUPEE PARISH CLERK OF COURT

**Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018**

deferred inflows of resources, and expense/expenditures.

The Statement resulted in a restatement of net position as follows:

	<u>Governmental Activities</u>
Net Positon, June 30,2017, as previously reported	\$ 16,208
Change in accouting principle:	
Net effect of implementing GASB Statement NO.75	<u>(731,159)</u>
Net postion, June 30,2017, as restated	<u>\$ (714,951)</u>

REQUIRED SUPPLEMENTARY INFORMATION

POINTE COUPEE PARISH CLEKR OF COURT

**Required Supplementary Information
For the Year Ended June 30, 2018**

Budgetary Comparison Schedule - General Fund

	2018 Budget		Actual	Final Budget
	Original	Final		Favorable (Unfavorable)
Fund balances, beginning	\$ 981,135	\$ 981,135	\$ 1,041,556	\$ 60,421
Revenues:				
Recordings	300,000	300,000	287,698	(12,302)
Copies	45,000	45,000	87,444	42,444
Certified Copies	8,000	8,000	4,954	(3,046)
Civil Fees	320,000	320,000	610,961	290,961
Mortgage Certificate	6,000	6,000	8,531	2,531
Election/qualifying Fees	9,000	9,000	4,582	(4,418)
Criminal Fees	30,000	30,000	40,005	10,005
UCC Fees	35,000	35,000	37,447	2,447
Cancellations	30,000	30,000	7,697	(22,303)
Court Attendance	2,000	2,000	1,008	(992)
Marriage License Fees	3,100	3,100	3,053	(47)
Clerk's Compensation	22,800	22,800	27,346	4,546
Interest Earned	5,000	5,000	-	(5,000)
Miscellaneous Revenues	9,000	9,000	13,916	4,916
Other Revenue	-	-	308,116	308,116
Assigned Fund Balance	10,000	10,000	-	(10,000)
Total Revenues	<u>834,900</u>	<u>834,900</u>	<u>1,442,759</u>	<u>607,859</u>
 Total available for appropriation	 <u>1,816,035</u>	 <u>1,816,035</u>	 <u>2,484,315</u>	 <u>668,280</u>
Expenditures:				
Salaries and Related Benefits	440,000	440,000	446,219	(6,219)
Group Insurance and Retirement Benefits	308,000	308,000	248,057	59,943
Other Insurance	5,000	5,000	9,408	(4,408)
Office Supplies and Expense	33,000	33,000	33,155	(155)
Postage and Publishing	8,100	8,100	7,497	603
Equipment Rental	10,000	10,000	10,482	(482)
Recording Costs	30,000	30,000	41,681	(11,681)
Technical Services, and Profession Fees	42,000	42,000	63,255	(21,255)
All Others	5,000	5,000	3,049	1,951
Special Projects (Assigned Fund Balance)	10,000	10,000	7,285	2,715
Total expenditures	<u>891,100</u>	<u>891,100</u>	<u>870,088</u>	<u>21,012</u>
 Total charges to appropriation	 <u>891,100</u>	 <u>891,100</u>	 <u>870,088</u>	 <u>21,012</u>
Fund balances, ending	<u>\$ 968,036</u>	<u>\$ 968,036</u>	<u>\$ 1,614,227</u>	<u>\$ 647,268</u>

POINTE COUPEE PARISH CLERK OF COURT

Required Supplementary Information
For the Year Ended September 30, 2018

Budget to GAAP Basis Reconciliation

	<u>General</u>
Sources/Inflows of resources:	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 2,484,315
Adjustments:	(1,041,556)
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	
Transfers from other funds are inflows for budgetary purposes but are not revenue for financial reporting purposes	<u>-</u>
Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 1,442,759</u>
Uses/Outflows of resources:	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 870,088
Adjustments:	
Transfers to other funds are outflows for budgetary purposes but are not expenditures for financial reporting purposes	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 870,088</u>

See Independent Auditors' Report

POINTE COUPEE PARISH CLERK OF COURT

Required Supplementary Information
For the year ended June 30, 2018

Schedule of Changes in the Total OPEB Liability and Related Ratios

	2018
Total OPEB Liability	
Service Cost	\$ 29,663
Interest	39,447
Changes of benefit terms	-
Differences btwn expected and actual experience	8,701
Changes in assumptions or other inputs	-
Benefit payments	(45,607)
Net Change in Total OPEB Liability	32,204
Total OPEB Liability - beginning	1,082,823
Total OPEB Liability - end	\$ 1,115,027
Covered Employee Payroll	\$ 422,690
Total OPEB Liability as a percentage of covered employee payroll	263.79%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.62%
------	-------

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

POINTE COUPEE PARISH CLERK OF COURT

Required Supplementary Information
For the year ended June 30, 2018

Schedule of Employer's Share of Net Pension Liability

Louisiana Clerks of Court Retirement	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Assets)	0.5041%	0.4938%	0.4934%	0.4896%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 762,646	\$ 740,735	\$ 665,522	\$ 808,746
Employer's Covered-Employee Payroll	\$ 416,249	\$ 411,064	\$ 446,323	\$ 436,518
Employer's Proportionate Share of the Net Pension Liability (Asset)				
Liability (Asset) as a Percentage of its Covered Payroll	183.22%	180.20%	149.11%	185.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.69%	79.37%	79.37%	72.86%

* 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.

POINTE COUPEE PARISH CLERK OF COURT

Required Supplementary Information
For the year ended June 30, 2018

Schedule of Employer's Contributions to the Pension Plan

<u>Year Ended June 30,</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions As a Percentage of Employee Payroll</u>
2018	\$ 86,403	\$ 80,311	(6,092)	\$ 422,690	19.00%
2017	79,088	79,088	-	416,249	19.00%
2016	78,102	78,102	-	411,064	19.00%
2015	84,801	84,616	185	446,323	18.96%
2014	80,756	80,941	(185)	436,518	18.54%

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

POINTE COUPEE PARISH CLERK OF COURT

Notes to Required Supplementary Information
For the year ended June 30, 2018

1. Budgetary and Budgetary Accounting

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

- a. 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.
- b. 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.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. 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.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. 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, except for capital outlay, were not material in relation to the original appropriations.

2. Pension Plan

- a. Schedule of Employer's Share of the Net Pension Liability.
This schedule reflects the participation of Pointe Coupee Parish Clerk of Court's employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability.
- b. Schedule of Employer's Contributions to the Pension Plan.
This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

See Independent Auditors' Report

POINTE COUPEE PARISH CLERK OF COURT

Notes to Required Supplementary Information (Continued)
For the year ended June 30, 2018

c. Actuarial Assumptions for Net Pension Liability

Valuation Date June 30, 2017
Actuarial Cost Method Entry Age Normal

Expected Remaining Service Lives 3 Years

Investment Rate of Return 7 % per annum for current year

Inflation Rate 2.5 % per annum for current year

Mortality **Non-disabled members** - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement Termination, disability, and retirement assumptions were projected based on a five-year experience study (2009-2013) of the System's members.

Salary Increases Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

Cost of Living Adjustment The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

POINTE COUPEE PARISH CLERK OF COURT

Notes to Required Supplementary Information (Continued)
For the year ended June 30, 2018

3. Post-Retirement Benefits Other Than Pensions

- a. Pointe Coupee Parish Clerk of Court (the “Clerk”) provides post-employment Medicare supplement, Medicare Part D prescription drug, and life insurance benefits on behalf of its eligible retirees and their dependents. As a result, the Clerk is required to implement the Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), which replaces GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer.
- b. GASB 75 allows an actuarial valuation date no earlier than thirty months and one day prior to the fiscal year end reporting date and a measurement date no earlier than one year and one day prior to the fiscal year end reporting date. For the reporting year ending June 30, 2018, we have used an actuarial valuation date of July 1, 2017 and a measurement date of June 30, 2018.
- c. Our valuation of the Clerk’s plan is based on assumptions about the survival of plan members, the average per-capita claims costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience, actuarial judgement, and the 6/30/2017 LCCRRF pension valuation.
- d. The following changes were made to assumptions since the prior July 1, 2015 valuation under GASB 45.
 - **Discount Rate:** The discount rate was increased from 3.50% to 3.62%. See the next section for more details. This resulted in a decrease in the Total OPEB Liability.
 - **Mortality Rates:** Mortality tables were updated from the RP-2000 mortality tables, with mortality improvement projected to 2016 with Scale AA. For this valuation, we used the RPH-2014 Employee and Healthy Annuitant mortality tables (for actives and retirees, respectively) with generational mortality improvement using Scale MP-2017. This resulted in an increase in the Total OPEB Liability.
 - **Retirement Rates:** We changed the retirement rates to be consistent with the pension plan valuation. This resulted in an increase in the Total OPEB Liability.
 - **Actuarial Cost Method:** GASB 75 requires the use of the Entry-Age Normal, Level Percent of Pay cost method. Prior valuations used the Projected Unit Credit cost method, which was allowed under GASB 45. This resulted in an increase in the Total OPEB Liability.

See Independent Auditors’ Report

POINTE COUPEE PARISH CLERK OF COURT

Notes to Required Supplementary Information (Continued)
For the year ended June 30, 2018

The table below sets forth the key results of GASB 75 valuation for the fiscal year ending June 30, 2018, compared to prior GASB 45 valuation.

	<u>GASB 45</u>	<u>GASB 75</u>
Total OPEB Liability	\$351,664	\$1,115,027
OPEB expense	88,742	70,353
Deferred Inflows of Resources	N/A	-
Deferred outflows of Resources	N/A	7,458

See Independent Auditors' Report

OTHER SUPPLEMENTARY INFORMATION

POINTE COUPEE PARISH CLERK OF COURT

**Supplementary Information
For the year ended June 30, 2018**

**Combining Statement of Fiduciary Assets and Liabilities
Agency Funds**

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	<u>\$ 1,014,509</u>	<u>\$ 25,265</u>	<u>\$ 1,039,774</u>
Total Assets	<u>\$ 1,014,509</u>	<u>\$ 25,265</u>	<u>\$ 1,039,774</u>
NET POSITION			
Due to general fund	\$ 25,769	\$ -	\$ 25,769
Held in trust for others	<u>988,740</u>	<u>25,265</u>	<u>1,014,005</u>
Total Net Position	<u>\$ 1,014,509</u>	<u>\$ 25,265</u>	<u>\$ 1,039,774</u>

See Independent Auditors' Report

POINTE COUPEE PARISH CLERK OF COURT

**Supplementary Information
For the year ended June 30, 2018**

**Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds**

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
Unsettled Deposits at Beginning of year	\$ 1,056,298	\$ 23,444	\$ 1,079,742
Additions			
Deposits	716,424	1,793	718,217
Interest	<u>1,620</u>	<u>28</u>	<u>1,648</u>
Total Additions	<u>732,228</u>	<u>1,821</u>	<u>734,049</u>
Deductions			
Distributed to litigants	137,496	-	137,496
Clerk cost	527,065	-	527,065
Sheriff's cost	34,646	-	34,646
Other sheriff's costs	29,047	-	29,047
Others	<u>45,763</u>	<u>-</u>	<u>45,763</u>
Total deductions	<u>774,017</u>	<u>-</u>	<u>774,017</u>
Change in Unsettled Deposits	<u>(41,789)</u>	<u>1,821</u>	<u>(39,968)</u>
Unsettled Deposits at End of Year	<u>\$ 1,014,509</u>	<u>\$ 25,265</u>	<u>\$ 1,039,774</u>

See Independent Auditors' Report

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

POINTE COUPEE PARISH CLERK OF COURT

Supplementary Information

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

Agency Head

Lanell S. Landry
Clerk of Court

Purpose		Amount
Salary	\$	122,249
Clerk's Supplement		23,350
Deferred Compensation		11,500
Benefits – Retirement		27,912
Benefits – Group Insurance		7,260
Medicare Employer Contribution		2,316
Life & Disability Insurance		1,290
Continuing Education		1,710
Voting Custodian		2,100
Travel:		
Auto Allowance		<u>21,840</u>
 Total Compensation, Benefits and Other Payments	\$	<u><u>221,527</u></u>



J. WALKER & COMPANY_{APC}

ACCOUNTANTS AND ADVISORS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Pointe Coupee Parish Clerk of Court, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Pointe Coupee Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 14, 2018.

Internal Control over Financial Reporting

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

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

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

OFFICES:

2740 RUE DE JARDIN
STE.100
LAKE CHARLES
LOUISIANA 70605
(O) 337-478-7902
(F) 337-478-3345

5100 WESTHEIMER
SUITE 231
HOUSTON
TEXAS 77056
(O) 713-588-4460
(F) 713-966-6125

WWW.JWALKERCO.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

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

Purpose of this Report

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

J. Walker & Company, APC

Lake Charles, Louisiana

December 14, 2018



POINTE COUPEE PARISH CLERK OF COURT

Schedule of Findings and Responses For the Year Ended June 30, 2018

I. Summary of Auditors' Results

a. Financial Statements

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

b. Federal Awards

N/A

c. Management Letter

No management letter was issued in connection with the audit for the year ended June 30, 2018.

POINTE COUPEE PARISH CLERK OF COURT

Schedule of Findings and Responses
For the Year Ended June 30, 2018

II. Findings – Financial Statement Audit

No Current Findings.

POINTE COUPEE PARISH CLERK OF COURT

Schedule of Findings and Responses
For the Year Ended June 30, 2018

III. Summary of Prior Year Findings

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2017-01 Failure to timely file audit report

Fiscal Year Finding Originated: 2017

Condition:

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

Criteria:

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

Cause:

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

Effect:

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

Recommendation:

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

Response:

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

POINTE COUPEE PARISH CLERK OF COURT

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

III. Summary of Prior Year Findings

2017-01 Failure to timely file audit report

Fiscal Year Finding Originated: 2017

Condition:

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

Corrective Action Plan:

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

Current Status:

Resolved.

Statewide Agreed Upon Procedures



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Lanell Swindler Landry
Pointe Coupee Parish Clerk of Court
New Roads, and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Pointe Coupee Parish Clerk of Court and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Clerk's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

OFFICES:

2740 RUE DE JARDIN
STE.100
LAKE CHARLES
LOUISIANA 70605
(O) 337-478-7902
(F) 337-478-3345

5100 WESTHEIMER
SUITE 231
HOUSTON
TEXAS 77056
(O) 713-588-4460
(F) 713-966-6125

WWW.JWALKERCO.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.



- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The Pointe Coupee Parish Clerk of Court does not have a board or finance committee. Therefore, these procedures are not applicable.

Bank Reconciliations

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:



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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the above procedure and noted the following exceptions:

All employees who have access to cash are not covered by a bond or insurance policy for theft.

Management's Response: See management's response letter.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.



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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

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

We performed the procedure above and noted no exceptions.



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

We performed the procedure above and noted no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exceptions reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

We performed the procedure above and noted no exceptions.

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

We performed the above procedure and noted the following exceptions:

A late fee was assessed on the selected statement – month of June.

Management's Response: See management's response letter.

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

We performed the procedure above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

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



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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

We performed the above procedure and noted the following exceptions:

No contracts were bid in accordance with the Louisiana Public Bid Law.

Management's Response: See management's response letter.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

We performed the above procedure and noted the following exceptions:

No contracts were bid in accordance with the Louisiana Public Bid Law.

Management's Response: See management's response letter.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

We performed the procedure above and noted no exceptions.



- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We performed the procedure above and noted no exceptions.

Payroll and Personnel

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

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

We performed the procedure above and noted no exceptions.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

We performed the procedure above and noted no exceptions.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.



Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Debt Service

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

The Pointe Coupee Parish Clerk of Court did not issue debt during the fiscal period. Therefore, these procedures are not applicable.

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

The Pointe Coupee Parish Clerk of Court did not issue debt during the fiscal period. Therefore, these procedures are not applicable.

Other

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

J. Walker & Company, APC

Lake Charles, Louisiana
December 08, 2018





LANELL SWINDLER LANDRY

Clerk of Court
Parish of Pointe Coupee
18th Judicial District

P.O. Drawer 38
New Roads, LA 70760

Ph: (225) 638-9596
Fax: (225) 638-9560
email: pcclerk@yahoo.com

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

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

Dear Mr. Walker:

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

6. Due to the small amount of cash that is received on a daily bases by the office, it is not feasible or cost efficient to purchase a bond or insurance policy for theft.
- 12(b) Management was in a dispute over a \$177.18 charge, it was resolved and credited on a future statement, however a \$10.42 Interest Charge was applied during this time.
- 15(a,b) Pointe Coupee is a small rural area that has limited resources, however, if the situation arises that we need to put something out for bid, management will follow State Law.

Sincerely,

Lanell Swindler Landry
Clerk of Court
Parish of Pointe Coupee
December 13, 2018