

PLAQUEMINES PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, 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 Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of Plaquemines Parish Government, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Clerk of Court's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court'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.

Basis for Qualified Opinions

The Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2017. The unreconciled deposits represent 5.5 percent of the fiduciary fund type's assets and liabilities at June 30, 2017. Because the Clerk of Court has not reconciled these deposits, it was not practical for us to determine the amount of fees, if any, due to the Advance Deposit Agency Fund from litigants or the amount due to the General Fund from the Advance Deposit Agency Fund for fees earned resulting from suit activity at June 30, 2017. The effects of not reconciling these deposits on the financial statements cannot be reasonably determined.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions" paragraph, 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 Clerk of Court, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison schedules and schedules for the funding progress for postemployment benefits other than pensions, employer's share of net pension liability, and employer's pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedule on pages 34 and 35, schedule of funding progress for postemployment benefits other than pensions on page 36, schedule of employer's share of net pension liability on page 37, schedule of employer contributions on page 38, or note to retirement system schedules on page 39 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

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

Morgan City, Louisiana
December 20, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Net Position
June, 30 2017

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,293,171
Receivables:	
Accounts, net	6,240
Due from other governmental entities	9,464
Other	1,800
Prepaid expenses	<u>7,553</u>
Total current assets	2,318,228
Noncurrent assets:	
Capital assets, net	<u>38,699</u>
Total assets	<u>2,356,927</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to net pension liability	<u>547,928</u>
LIABILITIES	
Current liabilities:	
Accounts payable	6,285
Compensated absences payable	<u>28,447</u>
Total current liabilities	<u>34,732</u>
Noncurrent liabilities:	
OPEB obligation payable	345,115
Net pension liability	<u>1,360,771</u>
Total noncurrent liabilities	<u>1,705,886</u>
Total liabilities	<u>1,740,618</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to net pension liability	<u>66,993</u>
NET POSITION	
Net investment in capital assets	38,699
Unrestricted	<u>1,058,545</u>
Total net position	<u>\$ 1,097,244</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Activities
Year Ended June, 30 2017

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants	Governmental Activities
Governmental activities:				
General government	\$ 1,461,342	\$ 1,449,887	\$ 77,157	\$ 65,702
General revenues:				
Interest and investment earnings				728
Change in net position				66,430
Net position - July, 1 2016				1,030,814
Net position - June, 30 2017				\$ 1,097,244

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

FUND FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet
Governmental Fund
June, 30 2017

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 2,293,171
Receivable:	
Accounts, net	6,240
Due from other governmental entities	9,464
Other	1,800
Prepaid expenditures	<u>7,553</u>
Total assets	<u>\$ 2,318,228</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 6,285
Other liabilities	<u>28,447</u>
Total liabilities	<u>34,732</u>
Fund balance:	
Nonspendable - prepaid expenditures	7,553
Unassigned	<u>2,275,943</u>
Total fund balance	<u>2,283,496</u>
Total liabilities and fund balance	<u>\$ 2,318,228</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet (continued)
Governmental Fund
June, 30 2017

Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position:

Total fund balance for the governmental fund at June, 30 2017		\$2,283,496
Cost of capital assets	\$ 209,458	
Less: Accumulated depreciation	<u>(170,759)</u>	38,699
Deferred outflows of resources related to net pension liability		547,928
Long-term liabilities		
OPEB obligation payable		(345,115)
Net pension liability		(1,360,771)
Deferred inflows of resources related to net pension liability		<u>(66,993)</u>
Total net position of governmental activities at June, 30 2017		<u>\$1,097,244</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 43,008
Fees, charges and commissions for services	1,327,971
Intergovernmental	21,153
Miscellaneous	<u>58,483</u>
Total revenues	<u>1,450,615</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	1,052,925
Operating services	161,741
Material and supplies	95,628
Capital outlay	<u>23,893</u>
Total expenditures	<u>1,334,187</u>
Net change in fund balance	116,428
Fund balance, beginning	<u>2,167,068</u>
Fund balance, ending	<u>\$2,283,496</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended June, 30 2017

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Fund to the Statement of Activities:

Total net change in fund balances for the year ended June, 30 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 116,428
Capital outlay costs	23,893	
Less: Loss on disposition of assets for year ended June, 30 2017	(278)	
Less: Depreciation expense for year ended June, 30 2017	<u>(14,075)</u>	9,540
Expenses not requiring the use of current financial resources and, therefore not reported as expenditures in the governmental funds		(37,984)
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Increase in pension expense	(98,711)	
Nonemployer pension contribution revenue	<u>77,157</u>	<u>(21,554)</u>
Total change in net position for the year ended June, 30 2017 per Statement of Activities		<u>\$ 66,430</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Agency Assets and Liabilities
June, 30 2017

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 16,216,639</u>
LIABILITIES	
Due to litigants and others	<u>\$ 16,216,639</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. The Clerk of Court is a component unit of the Plaquemines Parish Government. The Clerk of Court is fiscally dependent on the Plaquemines Parish Government since the Clerk of Court's offices are located in the Parish Courthouse, the upkeep and maintenance of the courthouse is paid by the Parish Government and certain operating expenditures of the Clerk of Court's office are paid by the Parish Government.

As an independently elected official, the Clerk of Court is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

B. Basis of Presentation

Government-Wide Financial Statements

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fund Financial Statements

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

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

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

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

Governmental Fund -

General Fund

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fiduciary Funds -

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

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

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

Election Qualifying Fund – accounts for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

C. Measurement Focus/Basis of Accounting

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

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

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

Capital Assets

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

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
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PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Compensated Absences

Vacation is provided to all full-time employees and is earned based on length of service. Employees with one to five years of service earn twenty-two days each year. Employees with over five years of service earn twenty-seven days each year. Employees are allowed to carry a maximum of fifteen days unused vacation per year. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation leave at the employee's current rate of pay.

Equity Classifications

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

- a. Net investment in capital assets - consists of 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.
- b. Restricted - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund balance for the Clerk of Court's governmental fund (the General Fund) is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

- e. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Clerk of Court's General Fund.

E. Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

F. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available indicating the uncollectibility of the receivable.

G. Use of Restricted Funds

When both restricted and unrestricted resources are available, the policy of the Clerk of Court is to use unrestricted resources first, then unrestricted resources as they are needed.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Clerk of Court has cash and cash equivalents (book balances) totaling \$18,509,810 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and interest-bearing deposits	\$ 2,293,171	\$ 16,216,639	\$ 18,509,810

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017 are as follows:

Bank balances	\$ 18,835,906
Federal insurance	\$ 750,000
Collateralized by pledged securities	18,085,906
Total federal insurance and pledged securities	\$ 18,835,906

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Clerk of court does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At June 30, 2017, deposits in the amount of \$18,085,906 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the Clerk of Court's fiscal agent but not in the Clerk of Court's name.

(3) Receivables and Due from Other Governmental Entities

Receivables and amounts due from other governmental entities at June 30, 2017 consist of the following:

	Receivables	Due from Other Governments
Governmental activities:		
Accounts, net of allowance of \$166	\$ 6,240	\$ -
State of Louisiana:		
Department of Children and Family Svcs	-	2,772
Clerk supplemental compensation fund	1,800	-
Plaquemines Parish Government	-	3,153
Plaquemines Parish Sheriff	-	3,539
	\$ 8,040	\$ 9,464

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2017 is as follows:

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Furniture, fixtures, and equipment	\$ 189,715	\$ 23,893	\$ (4,150)	\$ 209,458
Less: Accumulated depreciation	(160,556)	(14,075)	3,872	(170,759)
Net capital assets	\$ 29,159	\$ 9,818	\$ (278)	\$ 38,699

Depreciation expense of \$14,075 was charged to the general government function.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(5) Pension Plan

The Louisiana Clerks' of Court Retirement and Relief Fund (hereinafter "Fund") was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund.

Retirement Benefits

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

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

Disability Benefits

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

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

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

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

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

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

Survivor Benefits

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

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Notes to Financial Statements (continued)

Deferred Retirement Option Plan

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

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

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

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

Cost of Living Adjustments

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, the actual employer contribution rate was 19.00%.

Non-employer Contributions

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2017, the Clerk of Court reported liabilities in its government-wide financial statements of \$1,360,771 for its proportionate share of the net pension liabilities of the fund. The net pension liabilities were measured as of June 30, 2016 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Clerk of Court's proportional share of the fund was 0.735562%, which was an increase of 0.044475% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Clerk of Court recognized a net pension expense of \$215,199 in its governmental activities.

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Notes to Financial Statements (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13,887	\$ 46,317
Changes of assumptions	83,807	-
Net difference between projected and actual earnings on pension plan investments	234,778	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	98,968	20,676
Employer contributions subsequent to the measurement date	116,488	-
	\$ 547,928	\$ 66,993

The \$116,488 reported as deferred outflows of resources related to pensions resulting from Clerk of Court 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	
2017	\$ 78,452
2018	78,452
2019	129,379
2020	78,164
	\$ 364,447

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Notes to Financial Statements (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

	Louisiana Clerks' of Court Retirement and Relief Fund
Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense, including inflation
Projected Salary Increases	5.00%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The 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.

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Notes to Financial Statements (continued)

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

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

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.00%
Core plus fixed income	15.00%	1.50%
Domestic Equity:		
Large cap domestic equity	21.00%	4.25%
Non-large cap domestic equity	7.00%	4.00%
International Equity:		
Large cap international equity	15.50%	5.25%
Small cap international equity	5.00%	5.00%
Emerging markets	6.50%	7.25%
Real Estate	10.00%	4.75%
Master Limited Partnerships	5.00%	6.50%
Hedge Funds	10.00%	3.50%
	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine to total pension liability.

Sensitivity to Changes in Discount Rate

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

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Notes to Financial Statements (continued)

	Changes in Discount Rate		
	2016		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	<u>\$ 1,936,351</u>	<u>\$ 1,360,771</u>	<u>\$ 872,281</u>

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2017 were recognized in the current reporting period as pension expense except as follows:

- a. Differences Between Expected and Actual Experience – Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a net deferred inflow of resources in the amount of \$32,430 for the year ended June 30, 2017.
- b. Differences between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$234,778 for the year ended June 30, 2017.
- c. Changes of Assumptions or Other Inputs – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$83,807 for the year ended June 30, 2017.
- d. Change in Proportion – Changes in the employer’s proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows or resources since the prior measurement date were recognized in employer’s pension expense (benefit) using a 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 pensions through the pension plan. The change in proportion resulted in a net deferred outflow of \$78,292 for the year ended June 30, 2017.

Retirement Fund Audit Report

The Louisiana Clerks’ of Court Retirement and Relief Fund of Louisiana has issued a standalone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.lla.la.gov.

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Notes to Financial Statements (continued)

(6) Post-Retirement Health Care and Life Insurance Benefits

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

Funding Policy. The contribution requirements of plan members and the Clerk of Court are established and may be amended by the LCCIT board of trustees. The Clerk of Court pays for the entire premium charged by the LCCA for retirees. Retirees are required to pay 50% of the premium for their dependents. Vision is voluntary and paid 100% by the retiree. For the year ended June 30, 2017, the Clerk of Court contributed \$49,339 to the plan and the retirees contributed \$3,456.

Annual OPEB Cost and Net OPEB Obligation. For the year ended June 30, 2017, the Clerk of Court’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of the Clerk of Court (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Annual required contribution	\$ 92,708
Interest on net OPEB obligation	10,750
Adjustment to annual required contribution	<u>(16,134)</u>
Annual OPEB cost (expense)	87,324
Contributions made	<u>(49,339)</u>
Increase in net OPEB obligation	37,985
Net OPEB obligation - beginning of year	<u>307,130</u>
Net OPEB obligation - end of year	<u>\$ 345,115</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$87,323	56.5%	\$345,115
6/30/2016	\$88,062	52.1%	\$307,131
6/30/2015	\$85,549	42.1%	\$264,981

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Notes to Financial Statements (continued)

Funded Status and Funding Progress. As of most recent actuarial valuation, which was dated July 1, 2015, the actuarial accrued liability for benefits was \$1,258,067, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$613,098, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 205.2%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

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

In the July 1, 2015 actuarial valuation, the unit credit cost method was used. Based on the Clerk of Court's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate 5.0% after 13 years. Medicare Supplement trend starts at 4.0% and decreases to 3.0% after 8 years. Dental trend decreases from 4.0% to 3.0% over 5 years and vision trends 3.0% in all years. The Clerk of Court's unfunded actuarial liability is being amortized on a level dollar, open basis over 30 years.

(7) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Year Ended June, 30 2017			Unsettled Deposits at End of Year
	Unsettled Deposits at Beginning of Year	Additions	Reductions	
Agency funds:				
Advance Deposit	\$ 1,658,796	\$ 895,623	\$ 822,046	\$ 1,732,373
Registry of Court	28,331,892	1,005,159	14,852,786	14,484,265
Election Qualifying	1	1,968	1,968	1
Totals	<u>\$ 29,990,689</u>	<u>\$ 1,902,750</u>	<u>\$ 15,676,800</u>	<u>\$ 16,216,639</u>

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(8) Compensated Absences

The following is a summary of transactions for the year ended June 30, 2017:

Compensated absences payable, July, 1 2016	\$ 33,179
Reductions	<u>(4,732)</u>
Compensated absences payable, June, 30 2017	<u>\$ 28,447</u>

In prior years, compensated absences have typically been liquidated by the Clerk of Court's General Fund.

(9) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

The Clerk of Court's contributions to the Plan for the year ended June 30, 2017 was \$102,750.

(10) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. The Clerk of Court has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Clerk of Court is insured up to policy limits for each of the above risks. There were no significant changes in coverage's, retentions, or limits during the year ended June 30, 2017. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(11) Expenditures of the Clerk of Court Paid by the Plaquemines Parish Government

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

PLAQUEMINES PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

(12) Excess Fund Balance

R.S. 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of her term of office. The potential liability to the parish is limited to amounts received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books. At June 30, 2017, there was no amount due the parish treasurer since no amounts were received by the Clerk from the parish during the previous term of office.

(13) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Legislative Session amended R.S. 24:513(A) requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to and on behalf of the Clerk of Court, Kim Turlich-Vaughan, for the year ended June 30, 2017, are as follows:

Annual Salary	\$ 118,185
10% Expense allowance	11,819
Car allowance	17,697
Benefits - Insurance	9,762
Benefits - Retirement	10,725
Benefits - Deferred compensation match	12,000
Registration fees	1,175
Conference travel	2,067
Election expense allowance	<u>1,800</u>
Total	<u>\$ 185,230</u>

REQUIRED SUPPLEMENTARY INFORMATION

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June, 30 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 33,500	\$ 42,250	\$ 43,008	\$ 758
Fees, charges and commissions for services	1,261,500	1,304,017	1,327,971	23,954
Intergovernmental	10,000	16,500	21,153	4,653
Miscellaneous	45,550	63,040	58,483	(4,557)
Total revenues	<u>1,350,550</u>	<u>1,425,807</u>	<u>1,450,615</u>	<u>24,808</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,062,405	1,063,555	1,052,925	10,630
Operating services	171,680	166,846	161,741	5,105
Material and supplies	89,660	100,230	95,628	4,602
Capital outlay	26,000	25,879	23,893	1,986
Total expenditures	<u>1,349,745</u>	<u>1,356,510</u>	<u>1,334,187</u>	<u>22,323</u>
Net change in fund balance	805	69,297	116,428	47,131
Fund balance, beginning	<u>2,167,068</u>	<u>2,167,068</u>	<u>2,167,068</u>	<u>-</u>
Fund balance, ending	<u>\$2,167,873</u>	<u>\$2,236,365</u>	<u>\$ 2,283,496</u>	<u>\$ 47,131</u>

See notes to budgetary comparison schedule.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk of Court.

(2) Budgetary and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Funding Progress
Postemployment Benefits Other than Pensions
Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
7/1/2009	\$0	\$ 877,443	\$ 877,443	0.0%	\$ 534,552	164.1%
7/1/2012	\$0	\$ 1,157,350	\$1,157,350	0.0%	\$ 589,193	196.4%
7/1/2015	\$0	\$ 1,258,067	\$1,258,067	0.0%	\$ 613,098	205.2%

PLAQUEMINES PARISH CLERK OF COURT
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Schedule of Employer's Share of Net Pension Liability
Year Ended June 30, 2017

Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.642096%	\$ 866,099	582,641	148.65%	79.37%
2015	0.691087%	\$ 1,036,652	625,229	165.80%	78.13%
2016	0.735562%	\$ 1,360,771	671,379	202.68%	74.17%

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

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Schedule of Employer Contributions
Year Ended June 30, 2017

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 115,667	\$ 118,794	\$ -	\$ 625,229	19.00%
2016	\$ 127,562	\$ 127,562	\$ -	\$ 671,379	19.00%
2017	\$ 116,489	\$ 116,489	\$ -	\$ 613,098	19.00%

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Note to Retirement System Schedules
Year Ended June 30, 2017

Clerks' of Court Retirement and Relief Fund

Changes of benefit terms – There were no changes of benefit terms for the year ended June 30, 2017.

Changes of assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

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

The Honorable Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Plaquemines Parish Government, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated December 20, 2017. We expressed modified opinions on the financial statements of the Clerk of Court's governmental activities, major fund, and aggregate remaining fund information because the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2017.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and which are described as items 2017-001 and 2017-002 in the accompanying schedule of audit results and findings.

Compliance and Other Matters

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

Clerk of Court's Responses to Findings

The Clerk of Court's responses to the findings identified in our audit are described in the accompanying corrective action plan for current audit findings. The Clerk of Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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

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

Morgan City, Louisiana
December 20, 2017

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings
Year Ended June 30, 2017

Part I. Summary of Auditor's Results:

A modified opinion was issued on the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information because the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits.

Two (2) deficiencies in internal control were disclosed by the audit of the financial statements. Both deficiencies are considered to be material weaknesses.

The results of our tests disclosed no instances of noncompliance which are required to be reported in accordance with *Government Auditing Standards*.

A management letter was not issued.

Part II. Findings required to be reported in accordance with *Governmental Auditing Standards*:

A. Internal Control

2017-001 Segregation of duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process affected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2017

2017-002 Reconciliation of docket balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund have not been reconciled with the related cash deposits.

CRITERIA: Internal control is a process affected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the condition is the failure to reconcile individual suit docket balances to the related cash deposits.

EFFECT: Failure to reconcile docket balances with the related cash deposits increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: We recommend that the Clerk of Court attempt to reconcile the individual suit dockets with the related cash balances.

Part III. Findings and questioned costs for federal awards reported in accordance with Uniform Guidance:

The requirements of the Uniform Guidance do not apply to the Clerk of Court.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

2016-001- Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: N/A

CURRENT STATUS: See schedule of audit results and findings item 2017-001.

2016-002- Reconciliation of Docket Balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.

MANAGEMENT'S RESPONSE: The Clerk of Court continues the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund. These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

CURRENT STATUS: See schedule of audit results and findings item 2017-002.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Corrective Action Plan for Current Audit Findings
Year Ended June 30, 2017

2017-001- Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: N/A

2017-002- Reconciliation of Docket Balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.

MANAGEMENT'S RESPONSE: The Clerk of Court continues the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund. These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

PLAQUEMINES PARSH CLERK OF COURT

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2016 through June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Retired: Conrad O. Chapman, CPA* 2006

To the Honorable Kim Turlich-Vaughan,
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Plaquemines Parish Clerk of Court (hereinafter "PPCC") and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The PPCC's management is responsible for those control and compliance 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 exceptions are as follows:

Written Policies and Procedures

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

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained. PPCC's written polices do not utilize a purchase requisition/order system.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

PPCC's written policies and procedures do not address contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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 PPCC's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policies and procedures were obtained and address the functions noted above.

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

PPCC's written policies and procedures do not address debt service; however, the PPCC has no debt outstanding.

Board (or Finance Committee, if applicable)

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Bank Reconciliations

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

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

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

- a) Bank reconciliations have been prepared;

Obtained bank statements and/or reconciliations for all months in the fiscal period for fifty-four (54) bank accounts noting that reconciliations have been prepared for fifty-three (53) of those accounts.

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

Obtained bank statements and/or reconciliations for all months in the fiscal period for fifty-four (54) bank accounts. There was no evidence of a management review or a secondary management review on any of the bank reconciliations. (A secondary management review would be required since certain bank accounts are reconciled by the independently elected clerk of court.)

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

Obtained bank statements and/or reconciliations for all months in the fiscal period for fifty-four (54) bank accounts. On four (4) accounts having outstanding items, there is no documented evidence of researching reconciling items that have been outstanding for more than six (6) months as of the end of the fiscal period.

Collections

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

Obtained listing of cash collection locations and management's representation that the listing is complete.

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

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

The PPCC has a single cash collection location in which the individuals responsible for collecting cash were also –

- o Not responsible for depositing cash in the bank.*
- o Not responsible for recording the deposit.*
- o Not responsible for reconciling the bank statements.*

None of the individuals responsible for collecting cash were appropriately bonded.

All individuals responsible for collecting cash shared the same cash drawer.

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

PPCC has a formal reconciliation process. System reports of cash collections are generated by individuals independent of the cash collection process and compared to the cash collected and available for deposit. System reports and daily deposit slips are compared to bank statements and posted to the general ledger by a contract bookkeeper.

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

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

Deposits were made within one day of collection.

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

Collection documentation was obtained. There were no exceptions.

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

PPCC has a written process to determine the completeness of all collections for each revenue source by an individual who is not responsible for collections. See 6(b) above.

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

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

Obtained listing of disbursements from management and management's representation that the listing is complete.

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

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

PPCC does not utilize a purchase order / requisition system.

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

Examined supporting documentation for each of the twenty-five (25) disbursements selected for testing noting approval by an individual who did not initiate the purchase.

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

Examined supporting documentation for each of the twenty-five (25) disbursements selected for testing noting all payments were processed having a receiving report or equivalent document and an approved invoice, as necessary.

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

PPCC has written documentation prohibiting the individual responsible for processing payments from adding vendors to the purchasing/disbursement system.

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

Written policies and/or procedures do not provide for individuals with signatory authority to also initiate and/or record purchases.

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

The supply of unused checks is in a locked location and persons not having signatory authority have no access to those checks.

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

Not applicable – signature stamp or signature machine is not used.

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

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

Obtained listing of active credit cards, bank debit cards, fuel cards and name of the individuals maintaining possession of the cards from management and management's representation that the listing is complete.

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

PPCC maintains two (2) credit cards and both were selected for testing.

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

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

Monthly statements were obtained. Monthly statements for one (1) of the cards selected for testing evidenced review and approval, in writing, by someone other than the authorized cardholder. Monthly statements for the second card reflected review and approval by the independently elected clerk of court who is also the authorized cardholder.

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

No finance charges and/or late fees were observed on the statements.

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

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

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

Each transaction appearing on the statement was supported by an original itemized receipt.

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

Each transaction appearing on the statement was supported by documentation of the business/public purpose.

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

Each transaction appearing on the statement was documented in accordance with PPCC policy.

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

Each transaction appearing on the statement was documented in accordance with PPCC policy. There were no noted credit card purchases requiring compliance with the Public Bid Law.

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

Nature of the credit card transactions were not obscured and all transactions tested appear compliant with Article VII, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

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

Obtained listing of travel and expense reimbursements during the fiscal period, by person, and management's representation that the listing is complete.

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

Obtained PPCC's written policies related to travel and expense reimbursements. Per diem and reimbursement rates included in the written policies do not exceed GSA rates.

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

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

Expenses included on reimbursement reports were reimbursed in accordance with PPCC's written policies.

b) Report whether each expense is supported by:

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

Each expense appearing on the report was supported by an original itemized receipt precisely identifying the purchase.

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

Each expense appearing on the report was supported by documentation of the business/public purpose.

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

Each expense appearing on the report was documented in accordance with PPCC policy.

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

Nature of the expenses reimbursed and related supporting documentation were not obscured and all reimbursements tested appear compliant with Article VII, Section 14 of the Louisiana Constitution.

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

Reimbursement requests and related documentation evidenced review and approval, in writing, by someone other than the individual receiving the reimbursement, except for one reimbursement. Expenses incurred by the independently elected clerk of court was approved for reimbursement by the independently elected clerk of court.

Contracts

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

Obtained listing of all contracts in effect during the fiscal period and management's representation that the listing is complete.

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

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

Payments to vendors were supported by a written agreement describing the services to be provided and the fees to be charged.

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

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

Four (4) contracts were eligible for testing. None of the four (4) contracts selected for testing were subject to the requirements of the Public Bid Law.

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

PPCC did not solicit quotes for any of the contracts eligible for testing. All contracts were for professional services and/or software licensure.

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

One (1) of the four (4) contracts tested was amended which increased the monthly fee for software user licenses by \$720 per month. Original contract terms provided for such an amendment.

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

Obtained supporting invoices for the largest payment of the four (4) contracts selected for testing and compared to the contract terms. Invoices and related payments appear compliant with the terms and conditions of the contract.

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

Not applicable.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete.

Obtained a listing of employees from management and management’s representation that the listing is complete.

Randomly select five employees/officials, obtain their personnel files, and:

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

Compensation paid to the individuals tested were made in accordance with PPCC's authorized pay rates and/or contracts for employment without exception.

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

Not applicable – no changes were made to authorized pay rates.

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

Obtained attendance and leave records for five (5) employees (one-third of fourteen (14)).

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

All selected employees document their daily attendance and leave.

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

Daily attendance and leave records evidence supervisory approval.

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

Leave records for PPCC personnel are maintained in writing and/or electronically.

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

Not applicable – there were no terminations during the fiscal period.

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

There were no exceptions regarding the deposit and/or payment of the employer and employee portions of payroll taxes and retirement contributions, nor the filing of related reporting forms, to the appropriate agencies by the required deadlines.

Ethics (excluding nonprofits)

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

Obtained ethics compliance documentation for five (5) randomly selected individuals. Documentation of the completion of the required ethics training was on file for all individuals tested.

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

Management asserted that there were no allegations of ethics violations reported during the fiscal period.

Debt Service (excluding nonprofits)

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

Not applicable – PPCC had no debt outstanding during the fiscal period.

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

Not applicable.

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

Not applicable.

Other

31. Inquire of management whether the PPCC had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the PPCC reported the misappropriation to the legislative auditor and the district attorney of the parish in which the PPCC is domiciled.

Management asserted that there were no misappropriations of public funds or assets during the fiscal period.

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

Notice required by RS 24:523.1 was posted on PPCC's premises and website.

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

No exceptions to management's representations.

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

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance and is solely for use by the PPCC's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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