

**Jefferson Davis Parish Clerk of Court**  
**Jennings, Louisiana**  
**Financial Statements**  
**With Supplemental Information Schedules**  
**June 30, 2017**

**Jefferson Davis Parish Clerk of Court  
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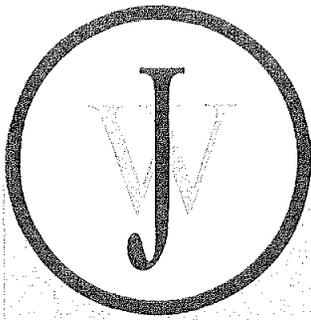
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# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

The Honorable Richard M. Arceneaux  
Jefferson Davis Parish Clerk of Court  
Jennings, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental-type activities of the Jefferson Davis Parish Clerk of Court, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Clerk of Court's basic financial statements as listed in the table of contents. We have also audited each fiduciary fund type of the Jefferson Davis Parish Clerk of Court, as of and for the year ended June 30, 2017, as displayed in the Clerk of Court's basic financial statements.

### Management's Responsibility for the Financial Statements

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

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CERTIFIED PUBLIC ACCOUNTANTS

### Auditor's Responsibility

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

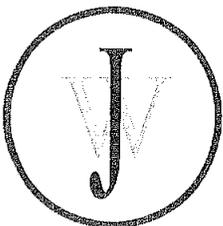
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

### **Opinion**

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities as well as each fiduciary fund type of the Jefferson Davis Parish Clerk of Court, a component unit of the Jefferson Davis Parish Police Jury, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters - Required Supplementary Information**

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



### **Other Matters - Other Information**

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

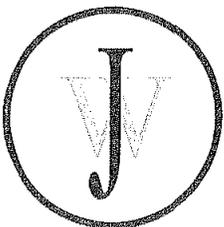
### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2018, on our consideration of the Jefferson Davis Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Jefferson Davis Parish Clerk of Court's internal control over financial reporting and compliance.

*J. Walker & Company, APC*

Lake Charles, Louisiana

January 12, 2018



**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 1 OF 2)**

JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

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

**OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION**

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

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

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

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

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

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

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

JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

*Fiduciary Funds.* The Clerk of Court is the trustee, or fiduciary, over assets which can only be used for the trust beneficiaries; these include advance deposits, registry of court and indigent transcript funds. The activity of these funds are reported separately in the statement of fiduciary net position on page 14 and schedule of changes in fiduciary net position found in supplementary information. These activities are excluded from government-wide and fund financial statements because the assets of fiduciary funds cannot be used to finance operations of the Clerk.

**NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are found on page 15.

**FINANCIAL ANALYSIS OF THE CLERK OF COURT**

The deficit from FY 2016 to FY 2017 increased by \$283,174. These deficits arose primarily because of the implementation of accounting for pension obligations and not because of poor cash management. A comparison with the prior year follows:

**SUMMARY OF NET POSITION**  
**Governmental Activities**

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Current and other assets	\$ 286,426	\$ 286,258
Capital assets, net	<u>1,803</u>	<u>4,334</u>
Total Assets	<u>288,229</u>	<u>290,592</u>
<b>Deferred outflows of resources</b>	<u>375,401</u>	<u>287,432</u>
<u>Liabilities</u>		
Current liabilities	4,245	3,714
Long-term liabilities	<u>2,894,027</u>	<u>2,689,828</u>
Total Liabilities	<u>2,898,272</u>	<u>2,693,542</u>
<b>Deferred inflows of revenues</b>	99,610	106,957

JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA

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

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<b>Net Position</b>		
Net investment in capital assets	1,803	4,334
Unrestricted	( 2,336,055)	(2,226,809)
Net Position	(2,334,252)	(2,222,475)

Total Revenues increased by \$70,345 due in part to increase fees charged for services, while expenditures decreased by \$91,003 a summary of changes follow:

	2017	2016
<u>Revenues</u>		
Charges for services	\$ 1,307,375	\$ 1,257,588
General revenues:		
Interest earned	3,745	4,834
Other revenues	22,444	798
Total Revenues	1,333,566	1,263,220
<u>Expenses</u>		
General government	1,616,740	1,707,743
Change in net position	(283,174)	(444,522)
Net position, beginning	(2,051,078)	(1,606,556)
Net position, ending	\$ (2,334,252)	\$ (2,051,078)

**BUDGETARY HIGHLIGHTS**

The Clerk of Court received \$79,326 (5%) more in revenues than anticipated during the current year. Expenditures were \$51,992 less than the amount budgeted or less than 3% under budgeted amounts. There was a budget amendment during the year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital assets: The Clerk of Court's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2017 and 2016, was \$1,803 and \$4,335. There were no additions during the year.

JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

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Capital assets at year end are summarized as follows:

	CAPITAL ASSETS Net of Accumulated Depreciation Governmental Activities	
	<u>2017</u>	<u>2016</u>
Depreciable Assets		
Equipment and Furniture, net	<u>\$ 1,803</u>	<u>\$ 4,335</u>

**LONG -TERM DEBT**

Long-term obligations of the Clerk include \$1,773,671 in post-employment benefits for the year ended June 30, 2017, an increase of \$323,409 which is the annual required contribution based on actuarial estimations less contributions made during the year.

Also reported is the Clerk's proportionate share of pension liability totaling \$1,402,650 and \$1,059,594 at June 30, 2017 and 2016, respectively. This liability is being reported in accordance with GASB Statement No. 68 implemented in the prior year. Also associated with this obligation are deferred outflows of \$96,610 and deferred inflows of \$375,401 at June 30, 2017.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Clerk of Court's finances, comply with finance-related laws and regulations and demonstrate the Clerk of Court's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the Jefferson Davis Parish Clerk of Court, P. O. Box 799, Jennings, Louisiana 70546, (337) 824-1160.

## **Basic Financial Statements**

JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA

STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 164,636
Receivables, net	21,790
Investments	100,000
Capital assets, net of accumulated depreciation	<u>1,803</u>
Total Assets	<u>288,229</u>
DEFERRED OUTFLOW OF RESOURCES	
Related to pension	375,401
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	4,245
Other post-employment benefits payable	1,491,377
Net pension liabilities	<u>1,402,650</u>
Total Liabilities	<u>2,898,272</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pension	99,610
<b>NET POSITION</b>	
Net investment in capital assets	1,803
Unrestricted	<u>(2,336,055)</u>
Total Net Position	<u>\$ (2,334,252)</u>

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017

Activities	Expense	Program Revenue			Net (Expense) Revenue
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Governmental Activities
Governmental activities:					
General government	\$ 1,578,847	\$ 1,269,483	\$ -	\$ -	\$ (309,364)
Intergovernmental	37,893	37,893	-	-	-
Total governmental activities	<u>1,616,740</u>	<u>1,307,376</u>	<u>-</u>	<u>-</u>	<u>(309,364)</u>
General revenues:					
Interest					3,745
Other revenues					22,445
Total general revenues and transfers					<u>26,190</u>
Change in net position					(283,174)
Net position - July 1, 2016					(2,051,078)
Net position - June 30, 2017					<u>\$ (2,334,252)</u>

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

JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

ASSETS

	<u>General Funds</u>
Assets:	
Cash and cash equivalents	\$ 164,636
Accounts receivable, net	21,790
Investments	<u>100,000</u>
 Total Assets	 <u>\$ 286,426</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable	\$ 4,245
 Fund Balance:	
Unassigned	 <u>282,181</u>
 Total Liabilities and Fund Balances	 <u>\$ 286,426</u>

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

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

Total Fund Balances – Governmental Funds	\$ 282,181
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation reported on the Statement of Net Position	1,803
Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the Clerk’s governmental activities:	
Other post-employment benefits	(1,491,377)
Net pension liability	(1,402,650)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources related to pensions	(99,610)
Deferred inflows of resources related to pensions	<u>375,401</u>
Total Net Position – Governmental Activities	<u>\$ (2,334,252)</u>

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2017**

**REVENUES**

Intergovernmental revenues	\$ 37,893
Charges for services:	
Court costs and fees	788,672
Certified copies and data processing	101,754
Licenses	5,266
Recording fees	373,791
Interest earned	3,745
Other revenues	<u>22,445</u>
 Total Revenues	 1,333,566

**EXPENDITURES**

General government	<u>1,333,929</u>
 Change in Fund Balance	 (363)
 Fund Balance, beginning	 <u>282,544</u>
 Fund Balance, ending	 <u>\$ 282,181</u>

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

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

Net Change in Fund Balance – Governmental Funds	\$ (363)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period	2,532
Governmental funds report pension contributions as expenditures However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which pension contributions charged differed from actuarial costs of benefits.	557,606
Governmental funds report payments on long-term obligations as expenditures. However, in the Statement of Activities, these payments are recognized as decreases in the long-term debt. This is the change in long-term obligations during the year.	
Other post-retirement benefits	(1,491,377)
Net pension liability	<u>(1,402,650)</u>
Total Net Position – Governmental Activities	<u>\$ (2,334,252)</u>

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 1,615,486
Investments	<u>200,000</u>
Total Assets	<u>\$ 1,815,486</u>
<b>NET POSITION</b>	
Held in trust for others	<u>\$ 1,815,486</u>
Total Net Position	<u>\$ 1,815,486</u>

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**Introduction**

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

**Note 1 – Summary of Significant Accounting Policies**

The accounting and reporting practice of the Clerk conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental units*.

The following is a summary of certain significant accounting policies:

**Financial Reporting Entity**

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

**Basic Financial Statements – Government-Wide Statements**

In accordance with Government Accounting Standards Boards Statement No. 34, the Clerk has presented a statement of net position and statement of activities for the Clerk as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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*Eliminating Internal Activity*

Inter-fund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

*Capitalizing Assets*

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

Using the requirements of GASB Statement No. 34, the Clerk is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively at the time of adoption of this statement. The Clerk does not have any infrastructure assets and opted not to retroactively report these types of capital assets.

*Program Revenues*

The statement of activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Clerk. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

*Allocation of Indirect Expenses*

The Clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct Expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

*Operating Revenues*

Proprietary funds separately report operating and non-operating revenues.

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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*Restricted Net Position*

Restricted net position is those for which a constraint has been imposed either externally or by law. The Clerk recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position is used.

**Basic Financial Statements – Fund Financial Statements**

The Clerk uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Clerk are classified under two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Fund Type:

Governmental funds account for all or most of the Clerk's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Clerk include:

**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's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund Type:

These fund types are used to account for assets held in trust for third-party individuals, private organizations and/or other governmental units/funds. Fiduciary funds include:

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

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

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**Basis of Accounting/Measurement Focus**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

*Accrual*

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

*Modified Accrual*

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

*Budgets and Budgetary Accounting*

The Clerk adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. Appropriations lapse at year- end. There were amendments made to the budget during the fiscal year ended June 30, 2017.

*Cash and Cash Equivalents*

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
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**NOTES TO THE FINANCIAL STATEMENTS  
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*Investments*

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

*Inventory*

Inventory is stated at cost. It includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

*Receivables*

Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. There is no allowance recorded in the accompanying financial statements as management expects 100% of its outstanding receivables to be collected. Revenues become susceptible to accrual when they become both measurable and available.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Capital Assets*

The Clerk's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: equipment and furniture -5-7 years.

*Compensated Absences*

The Clerk has the following policy relating to vacation and sick leave:

Vacation leave - All full-time employees of the Clerk earn vacation leave at a rate of 2 to 4 weeks each year, depending upon their length of service. Vacation must be used prior to June 30.

Sick leave - Sick leave, referred to as personal leave, is earned at a rate of one day per month employed. Personal leave is typically used in the month in which it is earned unless an illness requires additional time off. Accumulated personal leave is not paid upon termination from employment.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures in the General Fund when leave is actually earned.

**JEFFERSON DAVIS PARISH CLERK OF COURT  
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**Long-Term Obligations**

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**Pension Plan**

The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer schedules in accordance with GASB No. 68

*Accounting and Financial Reporting for Pensions* - An Amendment of GASB Statement No. 27 which provides for the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

**Net Position/Fund Balances**

In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

*Net Investment in Capital Assets*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Position*

Net positions that are reserved by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, this non-expendable net position is recorded separately from expendable net position. These are components of restricted net position.

*Unrestricted Net Position*

This category represents net position not appropriable for expenditures or legally segregated for a specific future use. In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Non-spendable*

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

**JEFFERSON DAVIS PARISH CLERK OF COURT  
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**NOTES TO THE FINANCIAL STATEMENTS  
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*Restricted*

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

*Committed*

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

*Assigned*

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

*Unassigned*

This category represents that portion of equity that is available for any purpose.

**Inter-fund Transactions**

All inter-fund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

**Note 2 – Cash and Cash Equivalents**

Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At June 30, 2017, the Clerk of Court has cash and cash equivalents (book balances) totaling \$1,893,171.

Petty cash	\$ 300
Interest-bearing demand deposit	679,304
Money market savings	<u>1,213,567</u>
Total	<u>\$ 1,893,171</u>

Of this amount \$1,728,235 is held by the Advance Deposit and Registry of Court Funds.

**JEFFERSON DAVIS PARISH CLERK OF COURT  
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**NOTES TO THE FINANCIAL STATEMENTS  
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These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or 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. Cash and cash equivalents (bank balances) at June 30, 2017 are secured as follows:

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the Clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk's name.

**Note 3 – Investments**

Investments at June 30, 2017, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Carrying Value</u>
Certificates of Deposit	\$ 300,000	\$ 300,000	\$ 300,000

There is \$100,000 in time deposits held for governmental activities and \$200,000 held by fiduciary funds.

**Note 4 - Receivables**

The net receivables, with the exception of interfund transactions, at June 30, 2017, are as follows:

Charges for Services	\$ 21,790
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**Note 5 – Capital Assets**

Capital assets are capitalized at a historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

Capital assets being Depreciated	Beginning Balance	Additions	Deductions	Ending Balance
Furniture/Equipment	\$ 104,339	\$ -	\$ -	\$ 104,339
Less: Accumulated Depreciation	100,004	2,532	-	102,536
Net Furniture/Equipment	<u>\$ 4,335</u>	<u>\$ 2,532</u>	<u>\$ -</u>	<u>\$ 1,803</u>

All depreciation expense was charged to government activities.

**Note 6 – Accounts Payable and Other Payables**

The accounts payable, with the exception of interfund and intergovernmental transaction, at June 30, 2017 are as follows:

Accounts Payable	\$ 4,425
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Fiduciary funds had unsettled deposits and other payables held in trust for others of \$1,815,486 at June 30, 2017.

**Note 7 – Intergovernmental Transactions**

Intergovernmental revenues of the general fund for the year ended June 30, 2017, was as follows:

State Supplement	\$ 21,850
LA Department of Elections	<u>17,906</u>
Total	<u>\$ 39,756</u>

**Note 8 – On-behalf Payments**

Certain operating expenditures of the Clerk are paid by the Jefferson Davis Parish Police Jury and are not included in the accompanying financial statements.

**Note 9 - Leases**

There are no operating or capital leases reported in the accompanying financial statements.

**JEFFERSON DAVIS PARISH CLERK OF COURT  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 10 – Annual and Sick Leave**

All employees of the Clerk of Court's office earn from two to four weeks of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the Clerk's office earn one day per month of sick leave. Employees are not paid for accumulated sick leave upon termination of employment.

**Note 11 – Risk Management**

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering professional liability and surety bond coverage. In addition to the above policies, the Clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2017.

**Note 12 – Pension Plan**

*Plan Description* - Substantially all employees of the Clerk are members of the Louisiana Clerks of Court Retirement and Relief Fund, a cost-sharing, multiple- employer defined benefit pension plan, which was established in accordance with La. Revised Statute 11:1501 to provide regular, disability and survivor benefits for clerks of court, their deputies and other employees, and their beneficiaries.

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

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

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

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

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

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

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

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

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

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

*Contributions* - Contribution requirements are actuarially determined each year. For the year ending June 30, 2017, the Clerk's rate was 19% of annual covered payroll while the employees contributed 8.25%. Contributions to the Fund also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The Clerk of Court's contributions to the system for the years ending June 30, 2017, 2016 and 2015, were \$131,488, \$137,903 and \$174,714, respectively.

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

*Pension Liabilities, Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions* - At June 30, 2016, the Clerk reported a liability of \$1,203,417 for its proportionate share of the Fund's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Clerk's proportion at that date was .7582%.

Pension expense of \$153,963 was recognized for the year ended June 30, 2017. Deferred outflows and inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Beginning balance	\$ 175,815	\$ 106,957
Difference between expected and actual experience	14,314	(21,442)
Difference between expected and actual investment earnings	242,004	(37,772)
Change in assumptions	(43,490)	-
Change in proportion	<u>(13,242)</u>	<u>51,867</u>
 Ending Balance	 <u>\$ 375,401</u>	 <u>\$ 99,610</u>

*Actuarial Assumptions* - The total pension liability in the June 30, 2017, actuarial valuation was determined using the entry age normal cost method and the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 combined healthy mortality table (set back 4 years for males and 3 year for females) and the RP-2000 disabled lives mortality table. The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

1% decrease	6.0%	\$ 1,995,945
Current discount rate	7.0%	1,203,417
1% increase	8.0%	899,062

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

**Note 13 – Deferred Compensation Plan**

All of the employees of the Clerk are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$16,500 per year) to the plan on a pre-tax basis. The contributions are withheld from the employee's paycheck and the Clerk matches up to \$300 per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each payday where they are deposited to an account in the employee's name. The Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2017, the Clerk's matching funds totaled \$19,372.

**Note 14 – Other Post-Employment Benefits**

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

*Funding Policy* - The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk currently pays 100% towards the premiums for eligible retired plan members as well as the cost for their spouses and dependent children. During the current year, the Clerk contributed approximately \$66,499 to the plan on behalf of participating retirees. The implicit subsidy used for actuarial purposes totaled \$95,160.

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
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**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

Annual Required Contribution	\$ 414,720
Interest on Net OPEB Obligations	20,596
Adjustment to Annual Required Contribution	<u>(32,419)</u>
 Annual OPEB Costs	 402,897
 Age Adjusted Contribution Made	 <u>(95,219)</u>
Change in Net OPEWB Obligation (NOO)	307,678
 Net OPEB Obligation (NOO) – Beginning	 <u>1,183,699</u>
 Net OPEB Obligation (NOO) – Ending	 <u>\$ 1,491,377</u>

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

<u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>% of Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/17	\$402,897	23.6%	\$1,491,377

*Funding Status and Funding Progress* - As of June 30, 2017, the actuarial accrued liability (AAL) for benefits was \$5,477,844, all of which was unfunded. The covered payroll was \$671,309 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 815.99%. The projection of future benefit payments for an on-going plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funding status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented on page 36, presents multi-year trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

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

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**Note 15 – Long-Term Obligations**

Long-term liabilities include the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Compensated absences	\$ 19,698	\$ -	\$ 19,698	\$ -
Post-employment benefits	1,183,699	307,678	-	1,491,377
Net pension liability	<u>1,203,417</u>	<u>199,233</u>	<u>-</u>	<u>1,402,650</u>
Total	<u>\$ 2,406,814</u>	<u>\$ 506,911</u>	<u>\$ 19,698</u>	<u>\$ 2,894,027</u>

**Note 16 – Deficit Net Position**

As a result of implementing GASB No. 68 - *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, the Clerk's net position was a deficit of \$3,168,849. Reporting for governmental funds provided for a positive fund balance of \$282,180.

**Note 17 – Related Party Transactions**

There were no related party transactions requiring disclosure.

**Note 18 – Litigation and Claims**

There is no litigation that would require disclosure in the accompanying financial statements.

**Note 19 – Expenditures**

The Jefferson Davis Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Jefferson Davis Parish Police Jury.

**Note 20 – Subsequent Events**

There were no events between the close of the year through January 12, 2018, the date on which the statements were available to be issued, that would materially impact these basic financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(PART 2 OF 2)**

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 32,220	\$ 38,000	\$ 37,893	\$ (107)
Charges for services:				
Court costs and fees	800,000	790,919	788,672	(2,247)
Certified copies	88,000	100,000	101,754	1,754
Licenses	6,500	4,901	5,266	365
Recording fees	350,000	358,400	373,791	15,391
Interest earned	3,600	3,660	3,745	85
Other revenue	1,000	22,740	22,445	(295)
Total Revenues	<u>1,281,320</u>	<u>1,318,620</u>	<u>1,333,566</u>	<u>14,946</u>
Expenditures:				
Current				
General government	1,327,480	1,347,054	1,333,928	13,126
Capital outlay	-	-	-	-
Total Expenditure	<u>1,327,480</u>	<u>1,347,054</u>	<u>1,333,928</u>	<u>13,126</u>
Change in Fund Balance	(46,160)	(28,434)	(363)	28,071
Fund Balance, Beginning	<u>282,544</u>	<u>282,544</u>	<u>282,544</u>	<u>-</u>
Fund Balance, ending	<u>\$ 236,384</u>	<u>\$ 254,110</u>	<u>\$ 282,181</u>	<u>\$ 28,071</u>

See independent auditors' report

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA**

**SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED JUNE 30, 2017**

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2015	0	\$ 4,578,933	\$ 4,578,933	0.00%	\$702,256	652.03%
6/30/2016	0	5,477,844	5,477,844	0.00%	\$748,147	732.19%
6/30/2017	0	5,477,844	5,477,844	0.00%	\$671,309	815.99%

See independent auditors' report

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA  
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
YEAR ENDED JUNE 30, 2017**

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<b>Louisiana Clerks of Court Retirement</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's Proportion of the Net Pension Liability (Assets)	0.7582%	0.80226%	0.7825%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,402,650	\$ 1,203,417	\$ 1,055,448
Covered Payroll	671,309	692,041	702,256
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	208.9425%	160.8530%	150.2939%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.17%	78.13%	79.37%

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

See independent auditors' report

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2017**

---

Year	2017
Contractually Required Contributions	\$ 127,549
Contributions in Relation to Contractually Required Contributions	137,903
Contribution Deficiency (Excess)	(10,354)
Employer's Covered-Employee Payroll	671,309
Contributions as a Percentage of Covered-Employee Payroll	19.00%

See independent auditors' report

## **OTHER SUPPLEMENTARY INFORMATION**

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA  
SUPPLEMENTARY INFORMATION**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
JUNE 30, 2017**

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
<b>ASSETS</b>			
Cash and cash equivalent	\$ 514,668	\$ 1,213,567	\$ 1,728,235
Investments	200,000	-	200,000
Total Assets	714,668	1,213,567	1,928,235
<b>NET POSITION</b>			
Held in trust for others	714,668	1,213,567	1,928,235
Total Net Position	\$ 714,668	\$ 1,213,567	\$ 1,928,235

See independent auditors' report

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA  
SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2017**

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
<b>ADDITIONS</b>			
Interest earned	\$ 280	\$ 2,556	\$ 2,836
Suits and successions	<u>806,257</u>	<u>57,748</u>	<u>864,005</u>
Total Additions	<u>806,537</u>	<u>60,304</u>	<u>866,841</u>
<b>Deductions</b>			
Clerk of Court's costs	487,831	-	487,831
Settlement to Litigant/Others	167,633	-	167,633
Sheriff's Fees	51,616	-	51,616
Other Deductions	<u>47,013</u>	<u>-</u>	<u>47,013</u>
Total Deductions	<u>754,093</u>	<u>-</u>	<u>754,093</u>
Change in Net Position	52,444	60,304	112,748
Net Position, beginning	<u>662,224</u>	<u>1,153,262</u>	<u>1,815,486</u>
Net Position, ending	<u>\$ 714,668</u>	<u>\$ 1,213,566</u>	<u>\$ 1,928,234</u>

See independent auditors' report

**JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA  
SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD  
YEAR ENDED JUNE 30, 2017**

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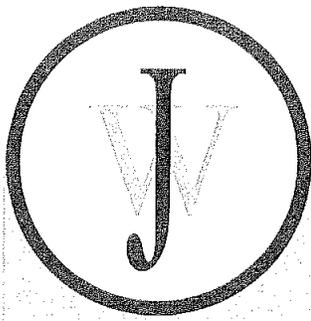
**Agency Head**

Richard Arceneaux  
Clerk of Court

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 142,929
Deferred compensation	8,576
Benefits – Retirement	27,157
Benefits – Group Insurance	17,572
Election fees	2,100
Travel:	
Auto Allowance	17,720
Registration/memberships Fees	1,100
Per Diem	700
Meals/Lodging	<u>3,498</u>
 Total Compensation, Benefits and Other Payments	 <u>\$ 221,352</u>

See independent auditors' report

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**



# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

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

Honorable Richard Arceneaux, Clerk of Court  
Jefferson Davis Parish Clerk of Court  
Jennings, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities and each fiduciary fund of the Jefferson Davis Parish Clerk of Court, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Clerk of Court's basic financial statements and have issued our report thereon dated January 12, 2018.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies [2017-01].

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## **Compliance and Other Matters**

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

## **Jefferson Davis Parish Clerk of Court's Response to Findings**

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

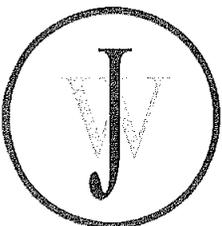
## **Purpose of this Report**

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

*J. Walker & Company, APC*

Lake Charles, Louisiana

January 12, 2018



JEFFERSON DAVIS PARISH CLERK OF COURT  
JENNINGS, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

I. Summary of Auditors' Results

a. Financial Statements

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

b. Federal Awards

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

c. Management Letter

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**II. Findings – Financial Statement Audit**

**INTERNAL CONTROL AND COMPLIANCE FINDINGS**

**2017-01 Failure to timely file audit report**

Fiscal Year Finding Originated: 2017

Condition:

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

Criteria:

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

Cause:

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

Effect:

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

Recommendation:

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

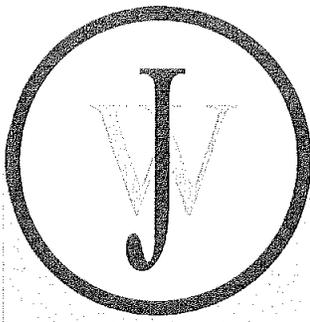
Response:

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

**JEFFERSON DAVIS PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**III. Summary of Prior Year Findings**

There were no prior year findings.



# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

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

To the Honorable Richard Arceneaux of the Jefferson Davis Parish Clerk of Court and the Louisiana Legislative Auditor:

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

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

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

*We performed the above procedure and noted the following exception:*  
**No written policies and procedures relating to budgeting.**

**Management's Response:**

**Policies will be written addressing budgeting.**

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

*We performed the above procedure and noted the following exception:*  
**No written policies and procedures relating to purchasing.**

**Management's Response:**

**Policies will be written addressing purchasing.**

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

*We performed the above procedure and noted the following exception:*  
**No written policies and procedures relating to disbursements.**

**Management's Response:**

**Policies will be written addressing disbursements.**

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

*We performed the above procedure and noted the following exception:  
No written policies and procedures relating to receipts.*

Management's Response:

**Policies will be written addressing receipts.**

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

*We performed the above procedure and noted the following exception:  
No written policies and procedures relating to payroll/personnel.*

Management's Response:

**Policies will be written addressing payroll/personnel.**

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

*We performed the above procedure and noted the following exception:  
No written policies and procedures relating to contracting.*

Management's Response:

**Policies will be written addressing 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

*We performed the above procedure and noted the following exception:  
No written policies and procedures relating to credit cards.*

Management's Response:

**Policies will be written addressing credit cards**

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

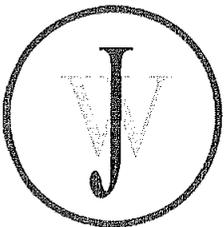
*We performed the procedures above and noted no exceptions*

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

*We performed the above procedure and noted the following exception:  
No written policies and procedures relating to ethics.*

Management's Response:

**Policies will be written addressing ethics.**



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

*The Jefferson Davis Parish Clerk of Court is not legally able to issue debt therefore these procedures are not applicable.*

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

---

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*The Jefferson Davis Parish Clerk of Court does not have a board or finance committee therefore these procedures are not applicable.*

***Bank Reconciliations***

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

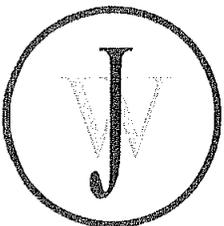
*We performed the procedures above and noted no exceptions.*

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

- a) Bank reconciliations have been prepared;

*We performed the procedures above and noted no exceptions.*

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



*We performed the above procedure and noted the following exception:*

**No evidence a member of management or a board member has reviewed each bank reconciliation.**

Management's Response:

**The Clerk of Court will review and sign off monthly on bank reconciliations that are prepared by a 3<sup>rd</sup> party.**

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

*We performed the procedures above and noted no exceptions.*

Collections

---

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

*We performed the procedures above and noted no exceptions.*

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

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

*We performed the above procedure and noted the following exceptions:*

**Each person responsible for collecting cash is not bonded and employees share the same cash register with another employee.**

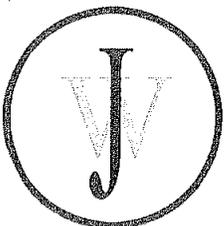
Management's response:

**We will review our errors and omissions policy for dishonesty coverage and add coverage if necessary.**

**The risk associated with all employees using the same register is currently mitigated by comparison to computerized subsidiary records.**

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

*We performed the procedures above and noted no exceptions.*



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

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the above procedure and noted the following exception:*

**No written documentation relating to completeness of all cash collections.**

**Management's Response:**

**We will formally document procedures that are currently being followed relating to cash collections.**

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

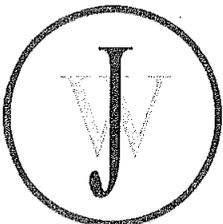
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8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

*We performed the procedures above and noted no exceptions.*

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

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



- b) Purchase orders, or an electronic equivalent, were approved by a person 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.

*We performed the above procedure and noted the following exception:  
Purchases are not initiated using a requisition/purchase order system.*

**Management's Response:**

**Due to the small transaction volume, we are capable of monitoring approval and receipts without the need for formal requisitions.**

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

*We performed the above procedure and noted the following exception:*

**No written documentation relating to adding vendors to the purchasing/disbursement system.**

**Management's Response:**

**The absence of a formal vendor approval process is mitigated by the Clerk of Court reviewing all checks and supporting documentation prior to signing.**

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

*We performed the above procedure and noted the following exception:*

**No written documentation relating to authorization of disbursements.**

**Management's Response:**

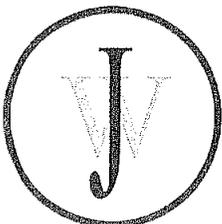
**We will formally document procedures that are currently being followed relating to authorization of disbursements.**

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*



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

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

*We performed the procedures above and noted no exceptions.*

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

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

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

*We performed the above procedure and noted the following exception:*

**No evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.**

Management's Response:

**We will have someone other than the authorized card holder sign off on all credit card statements.**

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

*We performed the above procedure and noted the following exception:*

**A late fee was assessed on the selected statement.**

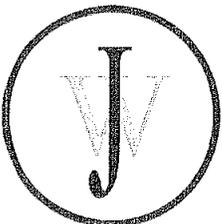
Management's Response:

**We will ensure all bills are paid in a timely manner.**

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

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

*We performed the procedures above and noted no exceptions.*



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

*We performed the above procedure and noted the following exception:  
No documentation of the business/public purpose.*

**Management's Response:**

**We will ensure all charges state the business/public purpose.**

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

**Travel and Expense Reimbursement**

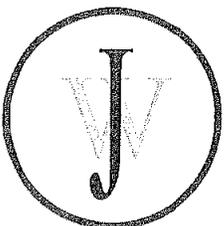
- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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



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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

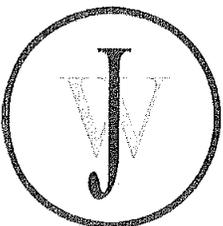
*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

### 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.
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.

*We performed the above procedure and noted the following exception:  
The Clerk's office does not have any written contract that supports the services arrangement and the amount to be paid.*

**Management's Response:**

**We will enter into contracts for services that supports the services arrangement and the amount to be paid.**

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
  - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Payroll and Personnel**

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

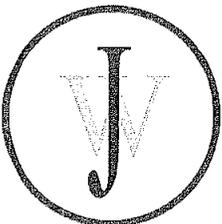
*We performed the procedures above and noted no exceptions.*

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

*We performed the above procedure and noted the following exception:  
Employees do not have an employment contract.*

**Management's Response:**

**Employees do not have employment contracts but the conditions and policies governing their employment are outlined in our policy manual which each employee is required to acknowledge and sign.**



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

*We performed the above procedure and noted the following exception:*

**No written documentation of changes made to hourly pay rates/salaries.**

**Management's Response:**

**When changes are made to pay, the Clerk of Court sends updated salary schedules directly to the 3<sup>rd</sup> party CPA where they are kept on file.**

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

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

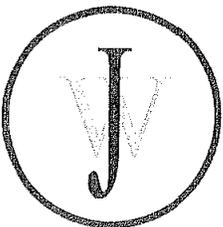
*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*



*Ethics (excluding nonprofits)*

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

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

**Management's Response:**

**We will ensure that all employees have documented yearly ethics training.**

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

*We performed the procedures above and noted no exceptions.*

*Debt Service (excluding nonprofits)*

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

*The Jefferson Davis Parish Clerk of Court did not issue debt during the fiscal period therefore these procedures are not applicable.*

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

*The Jefferson Davis Parish Clerk of Court did not have any outstanding debt during the fiscal period therefore these procedures are not applicable.*

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

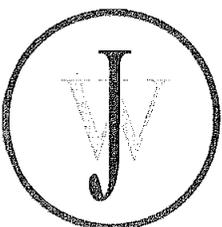
*The Jefferson Davis Parish Clerk of Court did not have tax millages relating to debt service therefore these procedures are not applicable.*

*Other*

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

*We performed the procedures above and noted no exceptions.*



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

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*J. Walker & Company, APC*

Lake Charles, Louisiana  
January 12, 2018

