

CLERK OF CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS

SALARY FUND

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

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CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) of the Clerk of Civil District Court for the Parish of Orleans (the Clerk's) financial performance is designed to provide an overview of the financial activities as of and for the fiscal year ended June 30, 2017. This information should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required information that provides an overview of the Clerk's basic financial statements and financial activities. Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated in all material aspects. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided on these reports.

This annual report consists of a series of financial statements. The Clerk's basic financial statements consist of the following components: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The Statement of Net Position reflects the financial position of the Clerk's office. The unrestricted fund balance for the Salary Fund, as reflected in this statement consists of funds available for future spending to meet the needs of the Clerk's Office.

The Statement of Activities reflects the changes in net position. Net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources are one way to measure the financial health of an entity. Over time, increases or decreases in net position are one indicator of whether an entity's financial health is improving or deteriorating.

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

Fund Financial Statements

Fund financial statements report detailed information on the Salary Fund maintained by the Clerk's office. This fund is established as mandated by State laws.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

Fund Financial Statements (continued)

The Clerk of Court uses governmental funds for basic services. Governmental funds focus on how money flows into and out of the operating accounts and reflect the balances left at year-end that are available for spending. These funds are reported under the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's programs.

FINANCIAL HIGHLIGHTS

The financial statements provide details of the current year's operations:

As of June 30, 2017, the Clerk of Civil District Court for the Parish of Orleans had Unrestricted Net Position of \$12,543,101 representing the portion available to maintain the continuing obligations to citizens. Unrestricted Net Position represents the net balance of all types of assets accumulated by the Clerk in excess of the amount invested in "capital assets" and any "restricted assets". Restricted assets are those that are constrained by creditors, grantors, contributors, or by laws and regulations.

Total government-wide assets as of June 30, 2017 were \$26,093,855, deferred outflows of resources were \$3,884,653, total liabilities were \$16,291,556 and deferred inflows of resources were \$939,040. In accordance with statutory requirements, the Clerk has no bonded indebtedness or long-term notes.

The most significant continuing revenue sources for governmental activities were court filing fees and recording fees.

ORLEANS PARISH CLERK OF COURT AS A WHOLE

Because the Registry of the Court Agency Fund is on a calendar year basis and is reported in a separate audit report, only the Salary Fund is included in this discussion and analysis.

FINANCIAL ANALYSIS OF THE CLERK OF COURT AS A WHOLE (GWFS)

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

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

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

CONDENSED STATEMENT OF NET POSITION
AS OF JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Current and other assets	\$ 25,889,044	\$ 24,547,437	\$ 1,341,607	5.47%
Capital assets, net of accumulated depreciation	<u>204,811</u>	<u>381,092</u>	<u>(176,281)</u>	<u>(46.26)%</u>
Total assets	26,093,855	24,928,529	1,165,326	4.67%
Deferred outflows of resources	3,884,653	1,590,595	2,294,058	144.23%
Current liabilities	2,956,650	2,623,379	333,271	12.70%
Non-current liabilities	<u>13,334,906</u>	<u>10,358,149</u>	<u>2,976,757</u>	<u>28.74%</u>
Total liabilities	16,291,556	12,981,528	3,310,028	25.50%
Deferred inflows of resources	939,040	1,476,543	(537,503)	(36.40)%
Net invested in capital assets	204,811	381,092	(176,281)	(46.26)%
Unrestricted	<u>12,543,101</u>	<u>11,679,961</u>	<u>863,140</u>	<u>7.39%</u>
Total net position	<u>\$ 12,747,912</u>	<u>\$ 12,061,053</u>	<u>\$ 686,859</u>	<u>5.69%</u>

The Clerk's net position increased by \$686,859 as a result of this year's operations. The increase in Current and Other Assets is due to an increase in cash and equivalents. The increase in deferred outflows of resources and decrease in deferred inflows of resources are due to recognition in accordance with GASB 68 of pension liabilities. The increase in Current Liabilities is due to an increase in accounts payable and due to others at the end of the year. The increase in Non-Current Liabilities is due to the increase in the net pension liability and net OPEB liability.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased as a result of this year's operations. The balance in net position represents the accumulated results of all past years' operations.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

CONDENSED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Total program expenses	\$ (12,431,999)	\$ (11,728,942)	\$ (703,057)	(6.00)%
Total program revenues	<u>12,844,209</u>	<u>12,594,784</u>	<u>249,425</u>	<u>1.98%</u>
Net program income	412,210	865,842	(453,632)	(52.39)%
General revenues	<u>274,649</u>	<u>254,223</u>	<u>20,426</u>	<u>8.03%</u>
Change in net position	686,859	1,120,065	(433,206)	(38.68)%
Net position, beginning of year	<u>12,061,053</u>	<u>10,940,988</u>	<u>1,120,065</u>	<u>10.24%</u>
Net position, end of year	<u>\$ 12,747,912</u>	<u>\$ 12,061,053</u>	<u>\$ 686,859</u>	<u>5.69%</u>

The Clerk's total revenues for the year in governmental activities were \$12,844,209 in program revenues and \$274,649 in general revenues. The total cost of all programs and services was \$12,431,999.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S SALARY FUND

Analyzing this fund helps to determine whether the Clerk is using her resources in a responsible manner and maintaining the financial integrity of the office.

The Salary Fund reported a fund balance increase of \$1,128,497.

CONDENSED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Total revenues	\$ 12,672,704	\$ 12,461,617	\$ 211,087	1.80%
Expenditures:				
Current	11,492,936	11,070,300	422,636	3.79%
Capital outlay	<u>51,271</u>	<u>90,828</u>	<u>(39,557)</u>	<u>(43.55)%</u>
Total expenditures	<u>11,544,207</u>	<u>11,161,128</u>	<u>383,079</u>	<u>3.55%</u>
Net change in fund balance	1,128,497	1,300,489	(171,992)	(13.23)%
Fund balance, beginning of year	<u>20,823,428</u>	<u>19,522,939</u>	<u>1,300,489</u>	<u>6.66%</u>
Fund balance, end of year	<u>\$ 21,951,925</u>	<u>\$ 20,823,428</u>	<u>\$ 1,128,497</u>	<u>5.42%</u>

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

SALARY FUND BUDGETARY HIGHLIGHTS

The Clerk of Civil District Court for the Parish of Orleans' budget for July 1, 2016 through June 30, 2017 was proposed and made available for public inspection by the Clerk of Civil District Court for the Parish of Orleans. There were no budget amendments during the current fiscal year.

The following table presents the variance between the final budget and the actual results for the fiscal year.

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Fees, charges, and commissions for services:			
Filing and recording fees for legal documents	\$ 12,167,332	\$ 11,164,983	\$ (1,002,349)
Fees for copies of documents	615,078	937,634	322,556
FEMA stabilization project	33,950	295,438	261,488
Use of money and property – interest earnings	<u>260,287</u>	<u>274,649</u>	<u>14,362</u>
 Total revenues	 <u>\$ 13,076,647</u>	 <u>12,672,704</u>	 <u>(403,943)</u>
Expenditures			
General government:			
Personnel services and related benefits	\$ 8,331,632	\$ 7,681,082	\$ 650,550
Operating services	3,622,039	3,811,854	(189,815)
Capital outlay	<u>652,576</u>	<u>51,271</u>	<u>601,305</u>
 Total expenditures	 <u>12,606,247</u>	 <u>11,544,207</u>	 <u>1,062,040</u>
 Excess revenues (expenditures)	 470,400	 1,128,497	 658,097
 Fund balance, beginning of year	 <u>20,823,428</u>	 <u>20,823,428</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 21,293,828</u>	 <u>\$ 21,951,925</u>	 <u>\$ 658,097</u>

The negative variance of \$403,943 in total revenues is due to the amount of actual filing and recording fees for legal documents being less than the amount that was budgeted. The positive variance of \$1,062,040 in total expenditures is due to the amounts budgeted for disaster recover expenses not being spent because there was no natural disaster during the fiscal year and due to conservative budget estimates for personnel services and benefits.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

CAPITAL ASSETS

The Clerk's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2017 was \$204,811.

	2017
Computers and software	\$ 915,376
Equipment	484,325
Furniture and fixtures	264,545
Total costs	1,664,246
Accumulated depreciation	(1,459,435)
Net capital assets	\$ 204,811
Depreciation expense	\$ 227,552

During 2017, the Clerk had asset additions of \$51,271 which consisted mainly of furniture, computer equipment, scanners, and Land Records equipment.

LONG-TERM OBLIGATIONS

Clerks of Court are not allowed to incur long-term indebtedness for bonds or notes payable; therefore, the Clerk had no long-term debt outstanding.

The Clerk entered into two non-cancellable three-year lease agreements for office storage space on May 27, 2015. The leases commenced on July 1, 2015 and end on June 30, 2018. The terms of the leases were extended through June 30, 2023. The Clerk entered into a non-cancellable four-year lease agreement for office space on December 3, 2015. The lease commenced on March 1, 2016 and ends on February 28, 2020. Future minimum lease payments total \$4,540,719.

The Clerk has one lease agreement for a vehicle. The lease term is 48 months beginning October 24, 2014. Lease payments made for vehicle during the year totaled \$10,926 which is included in office operations. The monthly minimum lease rental for the lease is \$911 through October 2017, then increases to \$1,357 for the remainder of the lease.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

LONG-TERM OBLIGATIONS (CONTINUED)

As of July 1, 2009, the Clerk has implemented GASB Statement No. 45, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,” GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The adoption of this standard requires the prospective recognition of Other Post-Employment Benefits (OPEB) in the basic financial statements (net of contributions to any irrevocable trust). Prior to July 1, 2009, the Clerk did not recognize any OPEB liability in the basic financial statements. See Note 7 to the basic financial statements for further discussion of the Other Post-employment Benefits.

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

Annual Required Contribution	\$	620,953
Interest adjustment on Net OPEB Obligation		90,454
Adjustment to Annual Required Contribution		<u>(92,332)</u>
Annual OPEB Cost (Expense)		619,075
Contributions made		(91,749)
Adjustment to Net OPEB Obligation		<u>-</u>
Increase in Net OPEB Obligation		527,326
Net OPEB Obligation – beginning of year		<u>2,588,226</u>
Net OPEB Obligation – end of year		<u><u>\$ 3,115,552</u></u>

As of July 1, 2014, the Clerk has implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27.” GASB Statement No. 68 improves accounting and financial reporting for pensions. The adoption of this standard requires the retroactive recognition of a liability for the Clerks proportionate share of the net pension liability. The Clerk is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective outflows of resources and deferred inflows of resources related to pensions. At June 30, 2017, the Clerk reported \$10,219,354 for its proportionate share of net pension liability, \$3,884,653 for deferred outflow of resources and \$939,040 for deferred inflows of resources. See Note 6 to the basic financial statements for further discussion of the pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

ECONOMIC FACTORS AFFECTING OPERATIONS

The Clerk of Court's Office is primarily financed by filing fees and recording fees charged to the public and costs for services rendered. The setting of these fees and costs is regulated by the Louisiana Revised Statutes which gives the Judges of the Civil District Court authority to set fees. The Clerk has no authority or discretion in setting fees.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Clerk of Civil District Court for the Parish of Orleans' finances and to show the Clerk of Court's accountability for the money it receives. If you have questions about this report or need additional information, contact the Honorable Dale N. Atkins, Clerk of Civil District Court for the Parish of Orleans, New Orleans, La. 70112 at phone number (504) 407-0134.



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Dale N. Atkins
Clerk of Civil District Court for the Parish of Orleans
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund - Salary Fund of the Clerk of Civil District Court for the Parish of Orleans, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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.

To the Honorable Dale N. Atkins
Clerk of Civil District Court for the Parish of Orleans
New Orleans, Louisiana

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.

As discussed in Notes 1 and 2, the financial statements present only the activities of the Salary Fund of the Clerk of Civil District Court for the Parish of Orleans and do not purport to and do not present fairly the financial position and the changes in its financial position, as of June 30, 2017 in conformity with accounting principles generally accepted in the United States of America.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion, the Analysis and Budgetary Comparison Schedule on the General Fund, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Contributions-Retirement Plan 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.



To the Honorable Dale N. Atkins
Clerk of Civil District Court for the Parish of Orleans
New Orleans, Louisiana

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head listed as Other Supplemental Schedule in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relate 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2017, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, LA
November 30, 2017



CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Salary Fund</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 23,275,217
Receivables	1,176,261
Due from Judicial Expense Fund	1,152,673
Prepaid insurance	284,893
Capital assets, net of accumulated depreciation	<u>204,811</u>
Total assets	<u>26,093,855</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pensions (note 6)	<u>3,884,653</u>
Total deferred outflows of resources	<u>3,884,653</u>
<u>LIABILITIES:</u>	
Accounts payable	307,876
Accrued payroll liabilities	189,245
Escrow on deposit	175,888
Due to Judicial Expense Fund	1,866,924
Due to others	416,717
Non-current liability - net pension liability	10,219,354
Non-current liability - net OPEB liability (note 7)	<u>3,115,552</u>
Total liabilities	<u>16,291,556</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Pensions (note 6)	<u>939,040</u>
Total deferred inflows of resources	<u>939,040</u>
<u>NET POSITION:</u>	
Net investment in capital assets	204,811
Unrestricted	<u>12,543,101</u>
Total net position	<u>\$ 12,747,912</u>

See notes to financial statements

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

<u>EXPENSES:</u>	<u>Salary Fund</u>
 <u>GENERAL GOVERNMENT:</u>	
Personnel services and related benefits	\$ 8,392,594
Operating services	<u>4,039,405</u>
Total expenses	<u>12,431,999</u>
 <u>PROGRAM REVENUES:</u>	
Fees, charges, and commissions for services:	
Filing and recording fees for legal documents	10,497,841
Fees for copies of documents and facsimiles	937,634
FEMA stabilization project	295,438
Remote access fees	283,215
Documentary tax income	132,475
Non-employer share of net pension liability contributions	516,316
UCC fees	154,328
Supreme Court civil case processing fees	22,106
Indigent legal fees	<u>4,856</u>
Total program revenues	<u>12,844,209</u>
Net program income	<u>412,210</u>
 <u>GENERAL REVENUES:</u>	
Interest earnings	<u>274,649</u>
Total general revenues	<u>274,649</u>
 <u>NET POSITION:</u>	
Change in net position	686,859
Beginning of the year	<u>12,061,053</u>
End of the year	<u>\$ 12,747,912</u>

See notes to financial statements

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2017

ASSETS

		Salary Fund
Cash and cash equivalents	\$	23,275,217
Receivables		1,176,261
Prepaid expenses		284,893
 Total assets	 \$	 24,736,371

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	\$	307,876
Accrued payroll liabilities		17,041
Escrow on deposit		175,888
Due to Judicial Expense Fund		1,866,924
Due to others		416,717
 Total liabilities		 2,784,446

FUND BALANCE:

Nonspendable:		
Prepaid items		284,893
Assigned for:		
Unified indexing system		1,761,122
Post-employment benefits		3,050,087
Records preservation & stabilization		2,328,486
Book binding		619,046
FEMA stabilization project expenditures		310,143
Case management and efilng system		1,711,952
Pension liability		10,004,622
Unassigned		1,881,574
 Total fund balance		 21,951,925
 Total liabilities and fund balance	 \$	 24,736,371

See notes to financial statements

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balance - governmental funds (fund financial statements)	\$ 21,951,925
Amounts reported for governmental activities in the statement of net position (government-wide financial statements) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	204,811
Certain non-current liabilities - OPEB obligations - are not due and payable in the current period and therefore are not reported in the funds	(3,115,552)
Certain non-current liabilities - net pension liabilities - are not due and payable in the current period and therefore are not reported in the funds	(10,219,354)
Deferred outflows of resources related to pensions are not reported in governmental funds	3,884,653
Deferred inflows of resources related to pensions are not reported in governmental funds	(939,040)
Accrued due from Judicial Expense Fund is not due and receivable in the current period and therefore is not reported in the funds	1,152,673
Accrued compensated absences are not recorded on the governmental fund financials because they are not due and payable at June 30, 2017	<u>(172,204)</u>
Total net position (government-wide financial statements)	<u>\$ 12,747,912</u>

See notes to financial statements

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2017

REVENUES:

Fees, charges, and commissions for services:	
Filing and recording fees for legal documents	\$ 10,497,841
Fees for copies of documents and facsimiles	937,634
FEMA stabilization project	295,438
Remote access fees	283,215
Documentary tax income	132,475
JEF payments on A/R	70,162
UCC fees	154,328
Supreme Court civil case processing fees	22,106
Indigent legal fees	4,856
Interest earnings	<u>274,649</u>
 Total revenues	 <u>12,672,704</u>

EXPENDITURES:

General government:	
Personnel services and related benefits	7,681,082
Operating services	<u>3,811,854</u>
 Total current expenditures	 11,492,936
 Capital outlay	 <u>51,271</u>
 Total expenditures	 <u>11,544,207</u>
 Excess of revenues over expenditures	 1,128,497
 FUND BALANCE AT BEGINNING OF YEAR	 <u>20,823,428</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 21,951,925</u>

See notes to financial statements

**CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Change in fund balance (fund financial statements) \$ 1,128,497

Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available:

Compensated absences	(49,999)
OPEB	(527,326)
Pensions	(134,186)
Non-employer contributions for pension	516,316

Current year decrease in due from Judicial Expense Fund is recorded on fund financials because under the modified accrual basis of accounting it is not accrued as receivable in the governmental funds.	(70,162)
--	----------

Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.

Capital asset purchases capitalized	51,271
Depreciation expense	(227,552)

Change in net position (government-wide financial statements) \$ 686,859

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

INTRODUCTION

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, (GASB 14) as amended by GASB 39 establishes standards for defining and reporting on the financial entity. The focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

The Clerk is a discrete governmental financial reporting entity under the GASB standards.

Fund Accounting

The Clerk of Court uses funds and account groups 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 accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds of the clerk of court are classified into two categories: governmental (Salary Fund) and fiduciary (Agency Fund). These funds are described as follows:

Salary Fund

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

Agency Fund

The Registry of Court Agency Fund, as provided by Louisiana Revised Statute 13:1305, accounts for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

Fund Financial Statements (FFS) - The amounts reflected in the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (FFS), are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in these statements (FFS), use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk considers all revenues available if they are collected within 60 days after the fiscal year end. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Filing fees and recording fees are recorded in the year in which they are earned. Interest income on investments is recorded when the investments have matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

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

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (continued)

Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities (GWFS) display information about the Clerk of Civil District Court for the Parish of Orleans as a whole. These statements include all the financial activities of the Clerk of Civil District Court for the Parish of Orleans. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues

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

Budget Practices

The Clerk of Civil District Court for the Parish of Orleans' budget was proposed and made available for public inspection by the Clerk.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. There was no amendment to the budget for the 2017 fiscal year.

Uncollectible Accounts Receivable

The Clerk of Court considers all accounts receivable at June 30, 2017 to be fully collectible. Accordingly, no allowance for uncollectible accounts is required.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Capital Assets

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

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. No assets were sold during the current year. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Computers	3 years
Office Equipment	5 years
Furniture & Fixtures	5 years
Automobiles	5 years
Leasehold improvements	20 years

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Clerk has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Clerk has one item that qualifies for reporting in this category, deferred amounts related to pensions.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees of the Clerk of Court's office earn, based on years of service, from 1 to 4 weeks vacation leave per year, 3 days of personal leave per year and 4 or 5 days of sick leave per year. The vacation, personal and sick leave accrue on an employment anniversary date basis and must be used in the following year of service, otherwise it is forfeited. During the first year of service, 4 days of sick leave and 1 day of personal leave accrue after 3 months of service and a successful evaluation, and 2 additional days of personal leave accrue after 6 months of service. Overtime is compensated for as compensatory time rather than payment. Compensatory time is calculated at one and one-half hours for each hour worked in excess of forty hours per week. Employees also earn earned leave time for attendance at approved after-hours office meetings and workshops. Earned leave time is equal to the amount of time spent at the meeting or workshop. The accrued compensated absences which had been unused by employees at June 30, 2017 has been included in the government-wide financial statements.

Equity Classifications

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (continued)

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government's highest level of decision making authority.
- e. Unassigned – amounts not included in other classifications.

The Clerk, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Clerk is authorized to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use, it is the Clerk's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Use of Estimates

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

(2) REGISTRY OF COURT FUND OMISSION

The Registry of Court Agency Fund is on a calendar year basis and was audited by other auditors who issued an unmodified opinion dated June 22, 2017 on its financial statements as of December 31, 2016. Since the Registry of Court Agency Fund is on a different fiscal year than the Salary Fund and was audited by other auditors, it is not included in the audit of the Salary Fund.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) CASH AND CASH EQUIVALENTS

At June 30, 2017, the Clerk of Court – Salary Fund, has cash, all in checking accounts (book balances) totaling \$23,275,217 and bank balances for these accounts were \$23,493,921.

The deposits are stated at cost, which approximates market. Under state law, the 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.

Custodial risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of year-end, \$23,493,921 of the Clerk’s bank balance was exposed to custodial credit risk. These deposits were collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Clerk’s name.

These deposits are secured from risk by \$346,763 of federal deposit insurance and two Federal Home Loan Bank Letters of Credit held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) with par values and market values totaling \$24,000,000 at June 30, 2017.

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

(4) RECEIVABLES

The receivables of \$1,176,261 at June 30, 2017, are for court filing and recording fees (\$866,993), documentary tax fees (\$77), NSF and other chargeback fees (\$13,753), and FEMA stabilization (\$295,438).

(5) DUE TO JUDICIAL EXPENSE FUND

During fiscal year ended June 30, 2017, 100% of the filing fees collected were deposited into the Clerk’s bank account and a portion of those fees were disbursed by the Clerk to the Orleans Parish Civil Judicial Expense Fund at the close of each month. Employee benefits are paid by the Judicial Expense Fund and billed back to the Clerk each month. As of June 30, 2017, the Clerk had a net balance due to the Judicial Expense Fund of \$1,866,924. Such amount is represented as Due to Judicial Expense Fund on the Clerk’s financial statements.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS

Plan Descriptions

The majority of employees of the Clerk of Civil District Court for the Parish of Orleans are members of the Louisiana Clerks of Court Retirement and Relief Fund (LCCRRF), a cost-sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The LCCRRF system provides retirement, survivor, disability and terminated benefits to plan members and beneficiaries. The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov, or www.laclerksofcourt.org.

On January 1, 2009, three new divisions were consolidated into the Clerk's office. Employees of those divisions who were participants in one of the following plans, continued to participate in those plans. As of January 1, 2009, all new hires are required to participate in the LCCRRF. Those additional plans in which the employees of the Clerk participate are the Louisiana State Employees' Retirement System (LASERS) and the Employees' Retirement System of the City of New Orleans (Orleans).

The Louisiana State Employees' Retirement System is a cost-sharing multiple-employer defined benefit plan. Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org

The Employees' Retirement System of the City of New Orleans is a defined benefit pension plan established under the laws of the State of Louisiana. The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the retirement system under the management of the Board of Trustees, and also for changes in the retirement system by council action, subject to certain limitations for the purpose of providing retirement allowances, death, and disability benefits to all officers and employees of the parish, except those officers and employees who are already or may hereafter be included in the benefits of any other pension or retirement system of the City of New Orleans, the state, or any political subdivision of the state. The report may be obtained by writing to the City of New Orleans Employees' Retirement System, 1300 Perdido Street, Room 1E12, New Orleans, LA 70112. See page 33 for the Orleans System, or the website, www.nola.gov/nomers.

The Clerk of Civil District Court for the Parish of Orleans does not guarantee the benefits granted by any of the systems.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

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

Funding Policy

For the LCCRRF system, a member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of 55 years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3% of the member's average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age sixty with an accrual rate of 3% for all members hired on or after January 1, 2011. A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

For the LASERS system, the age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Contributions – LCCRRF and LASERS

According to state statute, for the LCCRRF system, contribution requirements for all employees are actuarially determined each year. State statute requires covered employees to contribute a percentage of their salaries to the System. For the year ending June 30, 2017, the actual employer contribution rate and the actuarially determined employer contribution rate is listed below. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. LCCRRF payables at June 30, 2017 were \$92,189.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

Contributions – LCCRRF and LASERS, (continued)

	<u>Required by Statute</u>	<u>Actual Contribution</u>
Contributions:		
Employees	8.25% \$ 327,460	-% \$ -
Employers	<u>19.00%</u> <u>796,120</u>	<u>27.25%</u> <u>1,123,580</u>
	<u>27.25%</u> <u>\$1,123,580</u>	<u>27.25%</u> <u>\$1,123,580</u>

For the LASERS system, contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Under the terms of the plan, employees contribute a specified percentage of their gross earnings and the Clerk also contributes a specified percentage. For the year ending June 30, 2017, the actual employer contribution rate and the actuarially determined employer contribution rate are listed below.

	<u>Required by Statute</u>	<u>Actual Contribution</u>
Contributions:		
Employees	8.00% \$ 23,916	-% \$ -
Employers	<u>35.80%</u> <u>113,576</u>	<u>43.80%</u> <u>137,492</u>
	<u>43.80%</u> <u>\$ 137,492</u>	<u>43.80%</u> <u>\$ 137,492</u>

The Clerk's contributions to the LCCRRF system for the years ended June 30, 2017, 2016, 2015, were approximately \$1,124,000, \$1,036,000, and \$887,000, respectively, equal to the required contributions for each year. The Clerk's contributions to the LASERS system for the years ended June 30, 2017, 2016, 2015, were approximately \$137,000, \$150,000 and \$174,000, respectively, equal to the required contribution for each year.

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

At June 30, 2017, the Clerk reported a liability totaling \$10,219,354, of which \$9,105,941 was for its proportionate share of the net pension liability for the LCCRRF system and \$1,113,413 for the LASERS System. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the Net Pension Liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Clerk's proportion was 4.922200% for the LCCRRF system, which was an increase of .4995739% from its proportion measured as of June 30, 2015. At June 30, 2016, the Clerk's proportion was .014179% for the LASERS system, which was a decrease of .00951% from its proportion measured as of June 30, 2015.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

For the year ended June 30, 2017, the Clerk recognized pension expense for the LCCRRF and LASERS systems totaling \$1,392,304, of which \$1,120,626 was for the LCCRRF system and \$271,678 for the LASERS System. Added to pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$255,980, of which \$219,883 was for the LCCRRF and \$(475,863) was for the LASERS System.

For the year ended June 30, 2017, the Clerk recognized revenue for the support provided by non-employer contributing entities totaling \$560,816, all from the LCCRRF system.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	LCCRRF	LASERS	Total	LCCRRF	LASERS	Total
Differences between expected and actual experience	\$ 92,928	\$ 645	\$ 93,573	\$ 309,945	\$ 10,326	\$ 320,271
Change in assumptions	560,816	-	560,816	-	-	-
Net difference between projected and actual earnings on pension plan investments	1,571,075	138,678	1,709,753	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	588,079	22,736	610,815	276,543	342,226	618,769
Employer contributions subsequent to the measurement date	<u>796,120</u>	<u>113,576</u>	<u>909,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,609,018</u>	<u>\$ 275,635</u>	<u>\$ 3,884,653</u>	<u>\$ 586,488</u>	<u>\$ 352,552</u>	<u>\$ 939,040</u>

Employer contributions subsequent to the measurement date totaling \$909,696 and reported as deferred outflows of resources will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	<u>LCCRRF</u>	<u>LASERS</u>	<u>Total</u>
2017	\$ (454,050)	\$ 247,974	\$ (206,076)
2018	(454,050)	29,494	(424,556)
2019	(760,430)	(53,893)	(814,323)
2020	<u>(557,880)</u>	<u>(33,080)</u>	<u>(590,960)</u>
Total	<u>\$ (2,226,410)</u>	<u>\$ 190,495</u>	<u>\$ (2,035,915)</u>

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

Actuarial Assumptions – LCCRFF System

The total pension liability in the June 30, 2016 actuarial valuation for the LCCRFF System was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense, including inflation
Inflation rate	2.5%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2016 – 5 years 2015 – 5 years 2014 – 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Mortality Rate

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

Actuarial Assumptions – LCCRFF System (continued)

Long-term Expected Real Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates approved by Public Retirement Systems’ Actuarial Committee taking into consideration the recommendation of the Fund’s actuary. Based on these 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.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

Actuarial Assumptions – LCCRFF System (continued)

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

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

	LCCRFF System		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Clerk’s proportionate share of the Net Pension Liability \$	12,957,587	\$ 9,105,941	\$ 5,836,671

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

Actuarial Assumptions – LASERS System

The total pension liability in the June 30, 2016 actuarial valuation for the LASERS System was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.75% per annum
Inflation	3.00% per annum
Expected Remaining Service Lives	3 years
Mortality Rates	Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (continued)

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

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

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	4.0%	13.0%
Judges	3.0%	5.5%
Corrections	3.6%	14.5%
Hazardous Duty	3.6%	14.5%
Wildlife	3.6%	14.5%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0%	(0.24)%
Domestic equity	26%	4.31%
International equity	31%	5.48%
Domestic Fixed Income	9%	1.63%
International Fixed Income	5%	2.47%
Alternative Investments	22%	7.42%
Global Asset Allocation	7%	2.92%
Total	100%	

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at the contractually required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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.

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

The following presents the Clerk’s proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Clerk’s proportionate share of the Net Pension Liability 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:

	LASERS System		
	1% Decrease	Current Discount Rate	1% Increase
	6.75%	7.75%	8.75%
Clerk’s proportionate share of the Net Pension Liability	\$ 1,367,931	\$ 1,113,413	\$ 897,153

Detailed information about the pension plan’s fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.gov.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) PENSION PLANS (CONTINUED)

City of New Orleans Employees' Retirement System

The system does not make separate measurements of assets and pension benefit obligations for individual employers therefore Net Pension Liability has not been recorded.

For the Orleans system, employer contributions are a percentage of earnable compensation of each member, known as "normal contributions," determined on the basis of regular interest and mortality tables adopted by the Board of Trustees, and additional percentage of earnable compensation, known as "Accrued Liability contributions," determined by actuary on basis of the amortization period adopted by the Board from time to time. Effective January 1, 2013, employee contributions are 6% of earnable compensation over \$1,200 per year. For the year ending June 30, 2017, the actual employer contribution rate and the actuarially determined employer contribution rate are listed below.

	<u>Required</u>		<u>Actual</u>	
	by Statute		Contribution	
Contributions:				
Employees	6.00%	\$ 13,821	-%	\$ -
Employers	<u>22.49%</u>	<u>50,678</u>	<u>28.49%</u>	<u>64,499</u>
	<u>28.49%</u>	<u>\$ 64,499</u>	<u>28.49%</u>	<u>\$ 64,499</u>

Annual Pension Cost

The Clerk's contribution to the Orleans system for the year ending June 30, 2017, 2016 and 2015 were approximately \$64,000, \$75,000, and \$90,000, respectively, equal to the required contribution for each year. The required contribution was determined as part of the December 31, 2016 actuarial valuation (last available).

Required supplemental information – Schedule of Funding Program of PERS

		Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
Actuarial Valuation Date	Actuarial Value of Assets (a)	(AAL)- Entry Age (b)	(UAAL) (b-a)	(a/b)	(c)	(b-a)/(c)
12/31/2011	\$ 379,526,159	\$507,173,226	\$ 127,647,067	74.84%	\$ 93,636,301	136.3%
12/31/2012	\$ 372,049,545	\$545,394,780	\$ 173,345,235	68.22%	\$ 92,881,497	186.6%
12/31/2013	\$ 365,102,483	\$544,535,710	\$ 179,433,227	67.05%	\$ 92,440,354	194.1%
12/31/2014	\$ 352,915,906	\$540,175,678	\$ 187,259,772	65.34%	\$ 97,243,872	192.6%
12/31/2015	\$ 367,274,453	\$562,686,405	\$ 195,411,952	65.27%	\$ 105,691,915	184.9%
12/31/2016	\$ 377,748,008	\$609,079,637	\$ 231,331,629	62.02%	\$ 115,504,517	200.28%

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) **PENSION PLANS (CONTINUED)**

City of New Orleans Employees' Retirement System (continued)

The following provides certain additional disclosures for the Clerk and the City of New Orleans Employees' Retirement System:

<u>Clerk of Civil District Court for the Parish of Orleans</u>	<u>Year Ended June 30, 2017</u>
Total current-year payroll	\$ 230,358
Total current-year covered payroll – employer	\$ 230,350
Total current-year covered payroll – employees (excluding DROP wages)	\$ 230,350
Actuarially required contribution	\$ 50,678
Percentage of total actuarially required contribution of all participating employers and employees	.19%

Actuarial information about the system for its most recent year available, the year ended December 31, 2016, is presented below.

City of New Orleans Employees' Retirement System

Estimated payroll for current year	\$ 115,504,517
Total actuarially required contribution	\$ 33,787,783
Percent of estimated payroll	29.252%
Net assets, fair value	353,609,598
Pension benefit obligation	<u>609,079,637</u>
Unfunded benefit obligation	<u>\$ 255,470,039</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The system does not make separate measurements of assets and pension benefit obligations for individual employers.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(7) OTHER POST-EMPLOYMENT BENEFITS

As of July 1, 2009, the Clerk has implemented GASB Statement No. 45, “*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*,” GASB Statement No. 45 establishes uniform standards of financial reporting for other post-employment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The adoption of this standard requires the prospective recognition of Other Post-Employment Benefits (OPEB) in the basic financial statements (net of contributions to any irrevocable trust). The Clerk was required to and had an actuarial calculation performed on the annual OPEB cost with a valuation date of July 1, 2015.

The Clerk of Civil District Court for the Parish of Orleans provides certain continuing health care, dental and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and the Clerk of Court. The Clerk of Court includes the cost of providing these benefits (the Clerk's portion of the premiums) in insurance expense when the monthly premiums are due. The cost of such premiums borne by the Clerk of Court amounted to \$116,242 for 2017. These benefits are provided in accordance with the provisions of the Office of Group Benefits (OGB) in which the Clerk of Civil District Court for the Parish of Orleans office participates as described in note 6.

Plan Description

The Clerk's defined benefit post-employment health care plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Office of Group Benefits (OGB), an agent multiple-employer postemployment healthcare plan administered by the Office of Group Benefits (OGB).

Funding Policy

The contribution requirements of plan members and the Clerk are established and may be amended by the Office of Group Benefits (OGB). The retiree portion of health is 25% for retirees hired prior to 1/1/02 and ranges from 19% to 75% based on years of service for retirees hired after 1/1/02. The Clerk pays 50% of basic life premiums and approximately 50% of dental.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(7) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB and Net OPEB Obligation

For 2017, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with parameters of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Clerk'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:

Annual Required Contribution	\$ 620,953
Interest on Net OPEB Obligation	90,454
Adjustment to Annual Required Contribution	<u>(92,332)</u>
Annual OPEB cost (expense)	619,075
Adjustment to Net OPEB Obligation	-
Contributions made	<u>(91,749)</u>
Increase in Net OPEB Obligation	527,326
Net OPEB Obligation – beginning of year	<u>2,588,226</u>
Net OPEB Obligation – end of year	<u>\$ 3,115,552</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 364,211	19.5%	\$ 925,263
June 30, 2013	\$ 451,169	13.2%	\$ 1,320,945
June 30, 2014	\$ 451,169	15.0%	\$ 1,704,382
June 30, 2015	\$ 451,169	21.5%	\$ 2,058,521
June 30, 2016	\$ 626,388	15.4%	\$ 2,588,226
June 30, 2017	\$ 619,075	14.8%	\$ 3,115,552

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(7) **OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

Funded Status and Funding Progress

Per Actuarial Valuation calculated as of July 1, 2015, the Actuarial Accrued Liability ("AAL") for benefits was \$5,799,981, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan was \$5,060,283 and the ratio of the unfunded AAL to the covered payroll was 115%.

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

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuations, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of -2.2% initially, reduced by decrements to an ultimate rate of 5.0% after 10 years. The Clerk's actuarial liability is being amortized as a level percentage of projected payrolls on an open basis over 30 years.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(7) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Required Supplementary Information - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a) / c)
July 1, 2009	\$0	\$3,959,203	\$3,959,203	0.0%	\$2,651,861	149%
July 1, 2012	\$0	\$4,198,564	\$4,198,564	0.0%	\$4,801,337	87%
July 1, 2015	\$0	\$5,284,786	\$5,284,786	0.0%	\$4,729,664	112%
July 1, 2016	\$0	\$5,799,981	\$5,799,981	0.0%	\$5,060,283	115%

The cost of such premiums borne by the Clerk for both active and retired participants amounted to \$1,049,745 for 2017 and \$1,046,750 for 2016. These benefits are provided in accordance with the provisions of the Louisiana Clerks of Court Retirement and Relief System in which the Clerk's office participates as described in Note 6.

(8) CAPITAL ASSETS

A schedule of changes in capital assets follows:

	Balance 6/30/2016	Additions	Reductions	Balance 6/30/2017
Equipment	1,612,975	51,271	-	1,664,246
Accumulated Depreciation	(1,231,883)	(227,552)	-	(1,459,435)
Capital Assets, Net	\$ 381,092	\$ (176,281)	\$ -	\$ 204,811

Included in Equipment assets above is \$659,781 of software that is an intangible asset. Amortization of \$126,309 was recorded on all intangible assets in the current year. The net book value of intangibles was \$53,627.

(9) FACILITIES, FURNITURE, FIXTURES AND EQUIPMENT OWNED BY OTHER ENTITIES

The office space occupied by the Clerk of Civil District Court for the Parish of Orleans is owned by the City of New Orleans, which is statutorily required to provide office space for the Clerk.

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(10) COMPENSATED ABSENCES

A summary of compensated absences is as follows:

	Balance at June 30, 2016	Net Increase (Decrease)	Balance at June 30, 2017
Compensated absences	\$ 122,205	\$ 49,999	\$ 172,204

(11) LEASE COMMITMENTS

The Clerk has various month to month leases during the year. Lease payments made during the year totaled \$1,248,476 which is included in office operations.

The Clerk entered into two non-cancellable three-year lease agreements for office storage space on May 27, 2015. The leases commenced on July 1, 2015 and end on June 30, 2018. The terms of the leases were extended through June 30, 2023. The Clerk entered into a non-cancellable four-year lease agreement for office space on December 3, 2015. The lease commenced on March 1, 2016 and ends on February 28, 2020.

Future minimum lease payments are as follows:

2018	\$ 893,019
2019	783,300
2020	756,420
2021	702,660
2022	702,660
Thereafter	702,660
	\$ 4,540,719

The Clerk had one lease agreement for a vehicle. The lease term is 48 months beginning October 24, 2014. Lease payments made for vehicle during the year totaled \$10,926 which is included in office operations. The monthly minimum lease rental for the lease is \$911 through October 2017, then increased to \$1,357 for the remainder of the lease. Future minimum lease payments, including principal and interest, are as follows:

2018	\$ 14,940
2019	4,070
	\$ 19,010

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(12) DUE FROM JUDICIAL EXPENSE FUND

The bank account balances as of December 31, 2008, of the Mortgage and Conveyance offices were required to be transferred from the Judicial Expense Fund to the Clerk of Court upon consolidation of Mortgage and Conveyance into the Clerk of Court pursuant to Act 621 of the 2006 regular legislative session. The initial balance of the transfer and amount to be received from the Judicial Expense Fund is \$1,435,539 and is recorded in the Government-Wide Financial Statements. As of June 30, 2012, the Judicial Expense Fund agreed to transfer one percent per month of its share of filing fees to the Clerk of Court. These payments began on September 9, 2012. The balance due at June 30, 2016 was \$1,222,835. The Clerk received \$70,162 of this amount during 2017, leaving a balance due of \$1,152,673 at June 30, 2017.

(13) NEW ACCOUNTING PRONOUNCEMENTS

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

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES:</u>			
Fees, charges, and commissions for services:			
Filing and recording fees for legal documents	\$12,167,332	\$10,497,841	\$(1,669,491)
Fees for copies of documents and facsimiles	615,078	937,634	322,556
FEMA stabilization project	33,950	295,438	261,488
Remote access fees	-	283,215	283,215
Documentary tax income	-	132,475	132,475
JEF payments on A/R	-	70,162	70,162
UCC fees	-	154,328	154,328
Supreme Court civil case processing fees	-	22,106	22,106
Indigent legal fees	-	4,856	4,856
Miscellaneous fees	-	-	-
Interest earnings	<u>260,287</u>	<u>274,649</u>	<u>14,362</u>
 Total revenues	 <u>13,076,647</u>	 <u>12,672,704</u>	 <u>(403,943)</u>
<u>EXPENDITURES:</u>			
General government:			
Personnel services and related benefits	8,331,632	7,681,082	650,550
Operating services	<u>3,622,039</u>	<u>3,811,854</u>	<u>(189,815)</u>
 Total current expenditures	 11,953,671	 11,492,936	 460,735
Computers, equipment, furniture & supplies	<u>652,576</u>	<u>51,271</u>	<u>601,305</u>
 Total expenditures	 <u>12,606,247</u>	 <u>11,544,207</u>	 <u>1,062,040</u>
 Excess revenues over expenditures	 470,400	 1,128,497	 658,097
 FUND BALANCE AT BEGINNING OF YEAR	 <u>20,823,428</u>	 <u>20,823,428</u>	 <u>-</u>
 FUND BALANCE AT END OF YEAR	 <u>\$21,293,828</u>	 <u>\$21,951,925</u>	 <u>\$ 658,097</u>

(See Independent Auditors' Report)

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2017*

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
<u>Louisiana Clerks' of Court Retirement and Relief Fund</u>			
Clerk's Proportion of the Net Pension Liability	4.922200%	4.422629%	4.450706%
Clerk's Proportionate Share of the Net Pension Liability	\$ 9,105,941	\$ 6,634,083	\$ 6,003,387
Clerk's Covered-Employee Payroll	\$ 3,827,116	\$ 3,268,388	\$ 3,165,518
Clerk's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	237.93%	202.98%	189.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.17%	78.13%	79.37%
<u>LASERS System</u>			
Clerk's Proportion of the Net Pension Liability	0.014179%	0.01671%	0.02621%
Clerk's Proportionate Share of the Net Pension Liability	\$ 1,113,413	\$ 1,136,260	\$ 1,638,652
Clerk's Covered-Employee Payroll	\$ 334,822	\$ 389,953	\$ 540,849
Clerk's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	332.54%	291.38%	302.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.73%	62.66%	65.02%

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

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

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED JUNE 30, 2017

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
<u>Louisiana Clerks' of Court Retirement and Relief Fund</u>			
Contractually Required Contribution	\$ 796,120	\$ 1,035,441	\$ 886,592
Contributions in Relation to the Contractually Required Contribution	<u>(796,120)</u>	<u>(1,035,441)</u>	<u>(886,592)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Clerk's Covered-Employee Payroll	\$ 4,188,623	\$ 3,827,116	\$ 3,268,388
Contributions as a Percentage of Covered-Employee Payroll	19.01%	27.06%	27.13%
<u>LASERS System</u>			
Contractually Required Contribution	\$ 113,576	\$ 149,779	\$ 173,739
Contributions in Relation to the Contractually Required Contribution	<u>(113,576)</u>	<u>(149,779)</u>	<u>(173,739)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Clerk's Covered-Employee Payroll	\$ 317,431	\$ 334,822	\$ 389,953
Contributions as a Percentage of Covered-Employee Payroll	35.78%	44.73%	44.55%

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

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Dale N. Atkins</u>
Salary	\$ 135,189
Expense warrant	16,799
Clerk supplemental	22,750
Benefits - health insurance	8,784
Benefits - deferred compensation	12,000
Benefits - retirement	33,200
Conventions and seminars (registration fees)	2,267
Membership dues	2,724
Travel - airfare and lodging (conventions)	1,862
Meals (conventions)	-
Vehicle usage	8,741
Cell phone	-
Car allowance	-
Per diem	-
Reimbursements	-
Unvouchered expenses	-
Special meals	-
Other (including payments made by other parties on behalf of the agency head)	-
	<hr/>
Total compensation, benefits, and other payments	<u>\$ 244,316</u>



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Dale N. Atkins
Clerk of Civil District Court for the Parish of Orleans
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund - Salary Fund of the Clerk of Civil District Court for the Parish of Orleans, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

To the Honorable Dale N. Atkins
Clerk of Civil District Court for the Parish of Orleans
New Orleans, Louisiana

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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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.

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
November 30, 2017



CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
Schedule of Current Year Findings
For the Year Ended June 30, 2017

We have audited the basic financial statements as of and for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards – Not Applicable

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Type of Opinion on Compliance Unmodified Qualified

For Major Programs Disclaimer Adverse

Are there findings required to be reported in accordance with OMB Circular A-133, Section .510(a) Yes No

Was a management letter issued? Yes No



CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATUS OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2017

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)
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Section I - Internal Control and Compliance Material to the Financial Statements:

THERE WERE NO PRIOR FINDINGS

Section II - Internal Control and Compliance Material to Federal Awards:

THERE WERE NO PRIOR FINDINGS

Section III - Management Letter: **THERE WERE NO PRIOR FINDINGS**

CLERK OF CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

**Statewide Agreed Upon Procedures Report
With Schedule of Findings and Management's Responses**

***As of and for the Year Ending
June 30, 2017***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Dale N. Atkins, Clerk of Civil District Court for the Parish of Orleans and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are described in the following schedule.

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

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

Stagni & Company

Thibodaux, Louisiana

December 5, 2017

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

The required procedures and our findings are as follows:

Procedures performed on the written policies and procedures:

1. Obtain the written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - c) **Disbursements**, including processing, reviewing, and approving
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - d) **Receipts**, including receiving, recording, and preparing deposits
Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

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

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

Performance: Obtained and read the written policy for contracting.

Exceptions: The written policy for contracting did not contain any information on the monitoring process.

Management's response: Although not specifically stated in the written policy for contracting, all payments are reviewed to make sure they comply with the contract before payment is rendered. Management has added the best practice of the monitoring process for contracts to its written policy.

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

Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Not applicable – there is no debt service policy required.

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

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

Procedures performed on the bank reconciliations:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Performance: Selected 5 bank accounts out of a total of 9 accounts. Inspected bank reconciliations prepared for each month.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected bank reconciliations (or statements for bank accounts that reconciliation were not prepared) for written approvals.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the collections:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Procedures performed on the collections (continued):

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). For each cash collection location selected:

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

Performance: Inquired for each of the 2 cash collection locations selected as to all of the requirements listed above.

Exceptions: For one of the collection locations tested, the same person makes collections and deposits, however, there is only one employee at that location. At one collection location cash boxes are shared between employees who cover for each other when necessary.

Management's response: Although the above exceptions are noted, due to the available number of employees at each location, the Clerk's written policies are being adhered to.

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

Performance: Obtained the written policies that outlined the reconciliation of cash collections and inquired of separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

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

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

Procedures performed on the collections (continued):

- **Exceptions:** There were no exceptions noted.
- **Management's response:** Not applicable.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

Performance: Inspected the written policy, and inquired of management as to separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the disbursements:

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

Performance: Obtained the listing of disbursements, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Procedures performed on the disbursements (continued):

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Reviewed written policy and inspected documents for purchase approval.

Exceptions: There were no exceptions noted.

Management's response: Not applicable..

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

Performance: Reviewed written policy and inspected documents for purchase approval.

Exceptions: There were no exceptions noted.

Management's response: Not applicable..

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

Performance: Obtained and inspected the written policies, and inquired of management as to separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable..

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

Performance: Inspected the written policy, and inquired of management as to authorization for disbursements.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

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

Procedures performed on the disbursements (continued):

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

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

Exceptions: No exceptions were noted.

Management's response: Not applicable.

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

Performance: Inquired of management the details of signing checks, and the controls over authorized signatures.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

Procedures performed on the credit cards, debit cards, fuel cards, p-cards:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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:

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 2 cards selected (i.e. each of the 2 cards should have one month of transactions subject to testing).

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

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

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

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

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

Performance: Compared transaction detail to the Policy & Procedure Manual and Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the travel and expense reimbursements:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Compared transaction detail to the written policy; and to the per diem and mileage rates established by the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

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

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Report whether each expense is supported by:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on contracts:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Obtained a copy and reviewed 5 of the 15 contracts in effect for the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Procedures performed on contracts (continued):

- 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)

Performance: Compared 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.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Compared each contract's detail noting whether the entity solicited quotes as a best practice.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected contract and inquired of management whether the contract was amended. None of the contracts were amended during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected contract to agree to the actual expenditure.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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. Lawrson Act or Home Rule Charter).

Performance: Observed approval of contract by management.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Clerk of Civil District Court for the Parish of Orleans
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
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Procedures performed on payroll and personnel:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observed the written policy and traced all salary adjustments approved in writing as per the policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

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Procedures performed on payroll and personnel (continued):

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained list of terminated employees during the fiscal period and management's representation that the list is complete. Of the terminated employees, we traced the 2 employees with the largest termination payments to their personnel files to determine if payments were made in strict accordance with the written policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on ethics:

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

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Procedures performed on ethics (continued):

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on debt service:

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

Performance: No debt was issued during the fiscal period.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

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Procedures performed on debt service (continued):

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

Performance: Not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

Other Procedures performed:

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.