

TANGIPAHOA PARISH CLERK OF COURT

Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2017

TANGIPAHOA PARISH CLERK OF COURT

Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2017

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Independent Auditor's Report

The Honorable Gary Stanga, Clerk of Court
Tangipahoa Parish Clerk of Court
Amite, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the Clerk's proportionate share of the net pension liability, the schedule of the Clerk's contributions, and the schedule of funding progress – postemployment healthcare benefits on pages 4 through 9, pages 38 through 40, page 41, page 42, and page 43, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

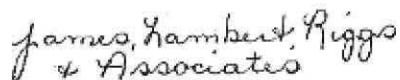
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Parish Clerk of Court's basic financial statements. The statement of fiduciary net position – agency funds; the schedule of changes in unsettled deposits – agency funds; and the schedule of compensation, benefits, and other payments to the Clerk of Court are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of fiduciary net position – agency funds; the schedule of changes in unsettled deposits – agency funds; and the schedule of compensation, benefits, and other payments to Clerk of Court are the responsibility of management and were 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of fiduciary net assets – agency funds; the schedule of changes in unsettled deposits – agency funds; and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the Tangipahoa Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Parish Clerk of Court's internal control over financial reporting and compliance.



James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.

Hammond, Louisiana
December 14, 2017

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

Tangipahoa Parish Clerk of Court
Amite, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2017

Introduction

The Tangipahoa Parish Clerk of Court (the Clerk) is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The Clerk's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Clerk's financial activity, (c) identify changes in the Clerk's financial position, (d) identify any significant variations from the Clerk's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Clerk's financial statements on pages 11 through 36 of this report.

Financial Highlights

- At June 30, 2017, the Clerk's governmental fund reported an ending fund balance of \$2,974,635, a decrease of \$31,133 for the year. All of this amount is available for spending at the Clerk's discretion.
- For the year ended June 30, 2017, the Clerk's total debt increased by \$1,167,653, or approximately 21.58%, primarily due to the recognition of additional postemployment healthcare benefits payable and net pension liability.

Overview of the Financial Statements

The financial statement focus is on both the Clerk as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Clerk's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Clerk's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Clerk's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Clerk's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Clerk is improving or deteriorating.

The Statement of Activities presents information showing how the Clerk's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Clerk's various revenues. This is intended to summarize and simplify the reader's analysis of the cost and/or subsidy of various governmental services.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2017

In both of the government-wide financial statements, the Clerk's activities are of a single type:

- Governmental activities - Most of the Clerk's basic services are reported here and are financed primarily through charges for services.

The government-wide financial statements include the Tangipahoa Parish Clerk of Court (component unit of Tangipahoa Parish Government) and can be found on pages 11 and 12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk uses two categories of funds to account for financial transactions: governmental funds and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Clerk's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, 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 Clerk's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. The basic governmental fund financial statements can be found on pages 13 through 18 of this report.

Fiduciary funds are used to account for assets held on behalf of outside parties. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for others. These funds are custodial in nature and do not involve measurement of results of operations. The basic fiduciary fund financial statement can be found on page 19 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Clerk's more immediate decisions on the current use of financial resources. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 14 and 18 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 36 of this report.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2017

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Clerk's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 11 of this report.

Net Position
June 30, 2017, and 2016

	Governmental Activities		
	2017	2016	\$ Change
Assets:			
Current and Other Assets	\$ 2,999,894	\$ 3,159,205	\$ (159,311)
Capital Assets	248,144	277,428	(29,284)
Total Assets	<u>3,248,038</u>	<u>3,436,633</u>	<u>(188,595)</u>
Deferred outflow of resources	<u>1,947,732</u>	<u>933,269</u>	<u>1,014,463</u>
Liabilities:			
Long-Term Liabilities	6,487,322	5,257,523	1,229,799
Other Liabilities	91,291	153,437	(62,146)
Total Liabilities	<u>6,578,613</u>	<u>5,410,960</u>	<u>1,167,653</u>
Deferred inflow of resources	<u>208,319</u>	<u>382,730</u>	<u>(174,411)</u>
Net Position:			
Net Investment in Capital Assets	248,144	277,428	(29,284)
Unrestricted (Deficit)	<u>(1,839,306)</u>	<u>(1,701,216)</u>	<u>(138,090)</u>
Total Net Position (Deficit)	<u>\$ (1,591,162)</u>	<u>\$ (1,423,788)</u>	<u>\$ (167,374)</u>

\$248,144 of the Clerk's net (deficit) position reflects its investment in capital assets (land, buildings, furniture, and equipment). These capital assets are used to provide services to citizens and do not represent resources available for future spending.

The Clerk's activities decreased its total net position by \$167,374; the decrease is primarily attributable to additional net pension liability and postemployment healthcare benefits liability.

In order to further understand what makes up the changes in net position (deficit), the following table provides a summary of the results of the Clerk's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 12 of this report.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2017

Changes in Net Position
For the Years Ended June 30, 2017, and 2016

	Governmental Activities		
	2017	2016	\$ Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 4,431,907	\$ 4,305,382	\$ 126,525
General Revenues:			
Interest Income	37,323	35,975	1,348
Support Revenue	275,726	250,484	25,242
Total Revenues	<u>4,744,956</u>	<u>4,591,841</u>	<u>153,115</u>
Expenses:			
General Government	<u>4,912,330</u>	<u>4,635,653</u>	<u>276,677</u>
Total Expenses	<u>4,912,330</u>	<u>4,635,653</u>	<u>276,677</u>
Change in Net Position	(167,374)	(43,812)	(123,562)
Net Position (Deficit), Beginning,	<u>(1,423,788)</u>	<u>(1,379,976)</u>	<u>(43,812)</u>
Net Position (Deficit), Ending	<u>\$ (1,591,162)</u>	<u>\$ (1,423,788)</u>	<u>\$ (167,374)</u>

Governmental Activities

The Clerk's governmental net position decreased by \$167,374, or 11.76% of the prior year ending net position, to \$(1,591,162).

The increase in revenues noted above is primarily comprised of an increase in court costs, fees, charges, birth certificate fees, and recording fees.

The increase in expenses noted above is primarily comprised of an increase in salaries, retirement contributions, health insurance premiums, and remote access fees.

Fund Financial Analysis

As noted earlier, the Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2017

Governmental Funds

The focus of the Clerk's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Clerk's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Clerk's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 13 through 18 of this report.

At the end of the current year, the Clerk's governmental fund reported an ending fund balance of \$2,974,635, all of which was available for spending at the Clerk's discretion. This represents a decrease of \$31,133 or 1.04% of the prior year's ending balance.

Fiduciary Funds

Fiduciary funds reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for others.

These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The basic fiduciary fund financial statement can be found on page 19 of this report.

General Fund Budgetary Highlights

The Tangipahoa Parish Clerk of Court demonstrated legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues were within 5% of budgeted revenues and actual expenditures were within 5% of budgeted expenditures.

For the general fund, actual revenue amounts exceeded final budgeted revenues by \$137,207. Actual expenditures exceeded final budgeted expenditure amounts by \$60,541.

For the general fund, original budgeted revenues were \$4,427,425 and final budgeted revenues were \$4,332,023. Original budgeted expenditures were \$4,400,278 and final budgeted expenditures were \$14,439,822.

The general fund's original budget was amended primarily to reflect a decrease in revenues and increases in salaries and other operating services expenditures.

Capital Assets and Debt Administration

Capital Assets

The Clerk's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$248,144 (net of depreciation). The total decrease in the Clerk's investment in capital assets for the current fiscal year was \$29,284 (net of depreciation).

The major capital asset additions during the current year were the purchase of computers.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2017

The following table provides a summary of the Clerk's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements on page 29 of this report.

Capital Assets (Net of Depreciation)
June 30, 2017, and 2016

	Governmental Activities	
	2017	2016
Land	\$ 27,800	\$ 27,800
Buildings	96,065	107,185
Furniture	32,653	43,729
Office Equipment	29,134	41,140
Data Processing Equipment / Software	39,517	27,896
Internet Conversion	27,788	27,788
Microfilm Conversion	(4,813)	1,890
Capital Assets, Net	<u>\$ 248,144</u>	<u>\$ 277,428</u>

Long-term Debt

At June 30, 2017, the Clerk had total long-term debt outstanding of \$6,553,354. The following table provides a summary of the Clerk's outstanding debt at the end of the current year as compared to the prior year.

Outstanding Long-Term Debt
June 30, 2017, and 2016

	Governmental Activities	
	2017	2016
Compensated Absences	\$ 139,787	\$ 164,810
Postemployment Healthcare Benefits Payable	1,550,758	1,429,843
Net Pension Liability	<u>4,862,809</u>	<u>3,662,870</u>
Total Long-term Debt	<u>\$ 6,553,354</u>	<u>\$ 5,257,523</u>

Contacting the Clerk's Financial Management

This financial report is designed to provide the citizens of Tangipahoa Parish with a general overview of the Clerk's finances and show the Clerk's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Tangipahoa Parish Clerk of Court, Tangipahoa Parish Courthouse, Post Office Box 667, Amite, Louisiana 70422, telephone (985) 748-4146.

BASIC FINANCIAL STATEMENTS

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement of Net Position
June 30, 2017

Statement A

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 2,681,714
Investments	200,000
Receivables	105,617
Due from Other Funds	12,563
Capital Assets, Net	248,144
Total Assets	<u>3,248,038</u>
Deferred Outflow of Resources	<u>1,947,732</u>
Liabilities	
Accounts, Salaries, and Other Payables	20,182
Due to Other Funds	5,077
Noncurrent Liabilities:	
Due Within One Year	
Accrued Compensated Absences	66,032
Due in More Than One Year	
Accrued Compensated Absences	73,755
Postemployment Healthcare Benefits Payable	1,550,758
Net Pension Liability	4,862,809
Total Liabilities	<u>6,578,613</u>
Deferred Inflow of Resources	<u>208,319</u>
Net Position	
Net Investment in Capital Assets	248,144
Unrestricted (Deficit)	<u>(1,839,306)</u>
Total Net Position (Deficit)	<u>\$ (1,591,162)</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2017

	Expenses	Program Revenues Charges for Services	Net Revenue (Expense) and Changes in Net Position Governmental Activities
Governmental Activities			
General Government	\$ 4,912,330	\$ 4,431,907	\$ (480,423)
General Revenues			
Interest Income			37,323
Support Revenues			275,726
Total General Revenues			<u>313,049</u>
Change in Net Position			(167,374)
Net Position (Deficit), Beginning of Year			<u>(1,423,788)</u>
Net Position (Deficit), End of Year			<u><u>\$ (1,591,162)</u></u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Balance Sheet
Governmental Fund
June 30, 2017

Statement C

	General Fund
Assets	
Cash and Cash Equivalents	\$ 2,681,714
Investments	200,000
Receivables	105,617
Due from Other Funds	<u>12,563</u>
Total Assets	<u>\$ 2,999,894</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts, Salaries, and Other Payables	\$ 20,182
Due to Other Funds	<u>5,077</u>
Total Liabilities	<u>25,259</u>
Fund Balance:	
Unassigned	<u>2,974,635</u>
Total Fund Balance	<u>2,974,635</u>
Total Liabilities and Fund Balance	<u>\$ 2,999,894</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement D

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

Total Fund Balance, Governmental Fund	\$ 2,974,635
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental capital assets, net of depreciation	248,144
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Compensated absences payable	(139,787)
Other postemployment obligations liability	(1,550,758)
Net Pension Liability	(4,862,809)

Deferred outflows and inflows are not financial resources or currently payable. These consist of:

Deferred outflows	1,947,732
Deferred inflows	<u>(208,319)</u>

Net Position (Deficit) of Governmental Activities	\$ <u>(1,591,162)</u>
--	------------------------------

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement E

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

	<u>General Fund</u>
Revenues	
Licenses and Permits:	
Marriage Licenses	\$ 27,150
Fees, Charges, and Commissions for Services:	
Court Cost, Fees, and Charges:	
Criminal Fees	228,276
Suits & Successions	1,660,162
Bond Fees	5,132
Dropped Charges Fees	1,862
Remote Access Fees	108,011
Court Attendance	11,320
Computer Usage	1,767
Internet Fees	128,923
Fees for Recording Legal Documents:	
Recordings, Cancellations, and Mortgages	1,659,609
Use of Money and Property:	
Interest	37,323
Miscellaneous Revenues:	
Internet Copies	241,908
Copy Room Copies	32,038
Abstractor Copies	18,715
Minute Clerk Reimbursement	14,400
Birth Certificates	177,174
Death Certificates	4,106
Election Reimbursement	34,733
Parish Council Reimbursement - Jury Commissioners	5,181
Passports	30,220
Clerk's Supplemental Compensation	22,750
Election Qualifying Fees	3,230
Miscellaneous	985
Expungement	5,540
Map Copies	1,515
Sale of Traffic Data	<u>7,200</u>
Total Revenues	<u>4,469,230</u>

(Continued)

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement E

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

	General Fund
Expenditures	
General Government:	
Clerk's Supplemental Compensation	\$ 20,900
Clerk's Vehicle Expense Allowance	22,080
Custodian of Voting Machines	2,400
Election Expense	3,446
Employee Health Insurance	516,229
Payroll Taxes	36,406
Retirement Contributions	638,873
Salary of Election Employees	28,444
Salary of Deputies	2,312,316
Salary of Deputies - Overtime	388
Salary of Official	110,059
Salary of Other Employees	15,316
Supplemental Comp Fund	49,800
Total General Government	<u>3,756,657</u>
Operating Services:	
Building Maintenance & Security	2,042
Clerk's Expense Allowance	13,382
Remote Access Fees	55,800
Courier Service	18,400
Dues & Association Fees	2,502
Insurance Expense	34,159
Janitorial Service	30,807
Jury Commission	5,579
Legal Fees	8,458
Marriage License - Spouse Abuse	12,897
Miscellaneous	1,184
Birth Certificates	103,686
Utilities	2,843
Office Equipment Rental & Maintenance	82,670
Professional Fees	77,462
Qualifying Expense	2,810
Telephone	19,126
UCC Billings	42,324
Appeal Expense	5,170
Disaster Recovery - Documents	14,282
Total Operating Services	<u>535,583</u>

(Continued)

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement E

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

	<u>General Fund</u>
Materials and Supplies:	
Office Supplies	\$ 89,664
Postage	44,725
Computer Expense	32,885
Bank / Credit Card Charges	10,616
Total Materials and Supplies	<u>177,890</u>
Travel and Education:	
Travel & Conventions	954
Training & Education	353
Total Travel and Education	<u>1,307</u>
Capital Expenditures:	
Computers	26,675
Equipment	519
Renovation	1,732
Total Capital Expenditures	<u>28,926</u>
Total Expenditures	<u>4,500,363</u>
(Deficiency) of Revenues	(31,133)
Fund Balance, Beginning of Year	<u>3,005,768</u>
Fund Balance, End of Year	<u>\$ 2,974,635</u>

(Concluded)
The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement F

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

For the Year Ended June 30, 2017

Net Change in Fund Balance - Total Governmental Funds	\$ (31,133)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital outlay	28,926
Depreciation	(58,210)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These differences consist of:

Change in compensated absences payable	25,023
Net change in liability for postemployment healthcare	(120,915)
Pension expense per GASB 68	(286,791)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

275,726

Change in Net Position of Governmental Activities	\$ <u>(167,374)</u>
--	----------------------------

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Statement G

Statement of Fiduciary Net Position
Agency Funds
June 30, 2017

	Advance Deposit Fund	Registry Of Court Fund	Civil Jury Fund	Total
Assets				
Cash and Cash Equivalents	\$ 1,743,165	\$ 2,542,551	\$ 577	\$ 4,286,293
Due from General Fund	5,077	-	-	5,077
Due from Advance Deposit Fund	-	-	431	431
Other Receivables	2,431	-	-	2,431
Total Assets	<u>1,750,673</u>	<u>2,542,551</u>	<u>1,008</u>	<u>4,294,232</u>
Liabilities				
Due to General Fund	12,382	181	-	12,563
Due to Civil Jury Fund	431	-	-	431
Due to Others - Civil Suits	1,734,291	2,542,370	1,008	4,277,669
Due to Others	3,569	-	-	3,569
Total Liabilities	<u>1,750,673</u>	<u>2,542,551</u>	<u>1,008</u>	<u>4,294,232</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH CLERK OF COURT
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2017

Introduction

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Tangipahoa Parish Clerk of Court (Clerk) serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The Clerk is elected for a four-year term that expires June 30, 2020.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying component unit financial statements of the Tangipahoa Parish Clerk of Court have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

This financial report has been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on Tangipahoa Parish Government. Tangipahoa Parish Government maintains and operates the parish courthouse in which the Clerk of Court's office is located, pays the rent for an additional office in Hammond, Louisiana, and provides funds for equipment and furniture of the Clerk of Court's office if requested to do so by the Clerk of Court. Because the Clerk of Court is fiscally dependent on parish government, the Clerk of Court was determined to be a component unit of Tangipahoa Parish Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The Clerk of Court uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

Fund balance is further classified on a hierarchy that shows, from the highest to the lowest, the level or form of constraints on fund balance and accordingly, the extent to which the Clerk is bound to honor them: nonspendable, restricted, committed, assigned and unassigned.

The following are the Clerk's governmental funds:

General Fund - the primary operating fund of the Clerk which accounts for the operations of the Clerk's office, including internet document access fees. Internet document access fees are statutory fees that may be expended for funding costs associated with the Internet-based Document Electronic Access System as provided by Louisiana Revised Statute 13:841.2.

The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk's policy.

Fiduciary Funds - focuses on net position and changes in net position. The funds accounted for in this category by the Clerk are agency funds. The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to litigants after all costs have been paid. The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court. The Civil Jury Fund accounts for civil jury fees transferred from the Advance Deposit Fund and paid to civil jurors. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus but use the accrual basis of accounting.

D. Measurement Focus / Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Clerk as a whole. These statements include all the non-fiduciary activities of the Clerk with most of the interfund activities removed. 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 nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The Clerk does not allocate indirect expenses.

The Clerk implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows, or Resources and Net Position. GASB 63 provides guidance for reporting deferred outflows or resources, deferred inflows or resources, and net position in a statement of financial position and related disclosures.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, was implemented which establishes new financial reporting requirements for governments that provide their employees with pension benefits. Additional information about the Clerk's net pension liability is presented in the notes to the financial statements.

Basic Financial Statements - Governmental Funds

The amounts reflected in the General Fund 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 the current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Clerk's operations.

The amounts reflected in the General Fund 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. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues from recordings, copies, and other services are recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially all other revenues are recorded when received.

Expenditures

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

Reconciliation

Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities is presented in Statement F of the basic financial statements.

E. Budget and Budgetary Accounting

The Clerk uses the following budget practices:

- The budget is adopted or amended by the Clerk of Court.
- The budget is prepared on the modified accrual basis of accounting.
- All appropriations lapse at year end.
- The budget was published in the official journal on May 25, 2016.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

- The budget was made available for public inspection at the Clerk's office on June 9, 2016.
- The budget hearing was held at the Clerk's office on June 9, 2016.
- The budget was adopted by the Clerk on June 9, 2016.
- The budget was amended by the Clerk on January 26, 2017, and April 20, 2017.

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 the final amended budget of April 20, 2017.

F. Deposits and Investments

The Clerk's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State law allows the Clerk to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the reporting entity consist primarily of U.S. Treasury obligations and obligations of the U.S. agencies.

Investments for the Clerk are reported at fair market value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. 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 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. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings	40 Years
Building Improvements	20 Years
Furniture	7 Years
Office Equipment	7 Years
Data Processing Equipment / Software	5 Years
Internet Conversion	10 Years
Microfilm Conversion	20 Years

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

I. Compensated Absences

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

Sick Leave

After six months of employment, each employee is granted 5 days (35 hours) sick (personal) leave. After one year of employment, each employee is granted 8 days (56 hours) of sick (personal) leave. At the beginning of each calendar year after the first full year of employment, each employee is granted 13 days (91 hours) of sick (personal) leave. Full time employees are allowed to carry over 30 leave days from year to year; any employee having in excess of 30 leave days as of December 31, forfeits the days in excess of 30 days. Employees in good standing are compensated for unused leave at their termination of employment at the rate of \$80 per day. Effective January 1, 2017, each employee will be granted 1 personal leave day (7 hours) to be used at the discretion and approval of the Supervisor.

After five years of employment, employees, at the Clerk's discretion, receive a total of 30 days leave for hospital confinement, surgery, or recovery from surgery, if ordered by a doctor. This is a one time benefit. After the 30 days, the employee is considered on leave without pay, provided all other leave has been exhausted. This leave is not compensated for upon termination.

Vacation Leave

After six months of employment, each employee is granted 5 days (35 hours) vacation leave. After one year of employment, each employee is granted an additional 5 days (35 hours) of vacation leave. At the beginning of each calendar year after the first full year of employment, each employee is granted 10 days (70 hours) of vacation leave. Employees with ten years of full-time service receive 15 vacation days, employees with twenty years of service receive 20 vacation days, and employees with thirty years of service receive 25 vacation days. Employees are paid for unused vacation or have withheld from their final check any vacation owed. Vacation may be taken for sick leave if no sick leave is accrued. Vacation must be taken in the calendar year it is granted. Vacation not taken by December 31 of each year is forfeited.

J. Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- imposed by law through constitutional provisions or enabling legislation.

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

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

K. Fund Equity

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Clerk did not have any nonspendable fund balance at June 30, 2017.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

The Clerk did not have any restricted fund balance at June 30, 2017.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Tangipahoa Parish Clerk of Court. These amounts cannot be used for any other purpose unless the Tangipahoa Parish Clerk of Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Clerk did not have any committed resources as of year end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Tangipahoa Parish Clerk of Court who has the authority to assign amounts to be used for specific purposes. The Clerk did not have any assigned resources as of year end.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. All of the Clerk's General Fund fund balance at June 30, 2017, is unassigned.

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

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of his term of office, which amount shall be limited to no more than that which was received by the Clerk in accordance with R.S. 13:784(A) during his term of office.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

L. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of net position (Statement A):	
Cash and cash equivalents	\$ 2,681,714
Investments	200,000
Fiduciary funds (Statement G):	
Cash and cash equivalents	<u>4,286,293</u>
Total cash, cash equivalents, and investments	\$ <u>7,168,007</u>

Deposits, investments, and other (GASB 3 and 40 disclosures) as of June 30, 2017, consist of the following:

Deposits with financial institutions:	
Deposits in bank accounts	\$ 2,120,090
Certificates of deposit	<u>200,000</u>
Total deposits with financial institutions	<u>2,320,090</u>
Investments:	
Louisiana Asset Management Pool	<u>4,847,917</u>
Total investments	<u>4,847,917</u>
Total deposits and investments	\$ <u>7,168,007</u>

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

The deposits with financial institutions are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

At June 30, 2017, the carrying amount of the Clerk's deposits is \$2,320,090 and the bank balances are \$2,512,221. Of these bank balances, \$593,107 is covered by FDIC insurance and \$1,919,114 is uninsured but collateralized with securities held by Federal Home Loan Bank in the name of the fiscal agent bank.

Even though the pledged securities are not held in the entity's name, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At fiscal year-end, the Clerk of Court's investment balances are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Louisiana Asset Management Pool	\$ <u>4,847,917</u>	<u>4,847,917</u>

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

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

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

- Credit risk: LAMP is rated AAAM by Standards & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 41 as of June 30, 2017.
- Foreign currency risk: Not applicable to 2a7-like pools.

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

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

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

3. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the Clerk's deposits may not be returned to it. The Clerk does not have a separate deposit policy for custodial credit risk but follows the requirements under state law.

As of June 30, 2017, none of the Clerk's bank balances are exposed to custodial credit risk because it is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the Clerk's name.

4. Receivables

The receivables of \$105,617 at June 30, 2017, are as follows:

	General Fund
Accounts	\$ 85,889
Criminal Fees	18,597
Other	1,131
	<u>\$ 105,617</u>

The Clerk considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

5. Interfund Receivables / Payables

Summary of balances due from (to) other funds reported in fund financial statements:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 12,563	\$ 5,077
Fiduciary Funds	5,508	12,994
	<u>\$ 18,071</u>	<u>\$ 18,071</u>

Balances due to/from other funds at June 30, 2017, consist of the following:

1% Clerk's Fee, Due to General Fund from Registry of Court Fund	\$ 181
Earned Interest, Due to General Fund from Advance Deposit Fund	12,382
Bank, Credit Card Fees, and NSF's Due to Advance Deposit Fund from General Fund	5,077
Advance Deposit Fund owes Civil Jury Fund for Juror Fees	431
	<u>\$ 18,071</u>

Interest earned on deposits of the Advance Deposit Fund are assigned to and reported as revenue by the General Fund. The amount of interest earned by the Advance Deposit Fund for the year ended June 30, 2017, was \$16,469.

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2017, for governmental activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 27,800	\$ -	\$ -	\$ 27,800
Total Capital Assets Not Being Depreciated	<u>27,800</u>	<u>-</u>	<u>-</u>	<u>27,800</u>
Capital Assets Being Depreciated:				
Buildings	302,131	1,732	-	303,863
Furniture	534,356	-	-	534,356
Office Equipment	164,313	519	900	163,932
Data Processing Equipment / Software	670,267	26,675	64,448	632,494
Internet Conversion	149,595	-	-	149,595
Microfilm Conversion	166,141	-	-	166,141
Total Capital Assets Being Depreciated	<u>1,986,803</u>	<u>28,926</u>	<u>65,348</u>	<u>1,950,381</u>
Less Accumulated Depreciation for:				
Buildings	194,946	12,852	-	207,798
Furniture	490,627	11,076	-	501,703
Office Equipment	123,173	12,525	900	134,798
Data Processing Equipment / Software	642,371	15,054	64,448	592,977
Internet Conversion	121,807	-	-	121,807
Microfilm Conversion	164,251	6,703	-	170,954
Total Accumulated Depreciation	<u>1,737,175</u>	<u>58,210</u>	<u>65,348</u>	<u>1,730,037</u>
Capital Assets Being Depreciated, Net	<u>249,628</u>	<u>(29,284)</u>	<u>-</u>	<u>220,344</u>
Governmental Activities Capital Assets, Net	<u>\$ 277,428</u>	<u>\$ (29,284)</u>	<u>\$ -</u>	<u>\$ 248,144</u>

Depreciation expenses of \$58,210 for the year ended June 30, 2017, was charged to the governmental activities.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

7. Compensated Absences

At June 30, 2017, employees of the Clerk of Court have accumulated and vested \$139,787 of employee leave benefits. This amount is recorded as a liability on the statement of net position.

8. Pension Plan

Plan Description. Substantially all employees of the Tangipahoa Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees hired on or before December 31, 2010, who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their monthly average final compensation for each year of credited service accrued on and before June 30, 1999; and 3½ per cent of their monthly average final compensation for each year of credited service accrued on and after July 1, 1999, not to exceed 100 per cent of their final-average salary. Employees hired on or after January 1, 2011, who retire at or after age 60 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their monthly average final compensation, not to exceed 100 per cent of their final average salary. Monthly average final compensation means the average of a member's monthly salary during the highest compensated sixty consecutive months or successive joined months if service was interrupted. However, the salary to be considered for the thirteenth through the twenty-fourth month may not exceed one hundred ten percent of the salary for the first through the twelfth month. The salary to be considered for the twenty-fifth through the thirty-sixth month may not exceed one hundred ten percent of the salary for the thirteenth through the twenty-fourth month. The salary to be considered for the thirty-seventh through the forty-eighth month may not exceed one hundred ten percent of the salary for the twenty-fifth through the thirty-sixth month. The salary to be considered for the forty-ninth through the sixtieth month may not exceed one hundred ten percent of the salary for the thirty-seventh through the forty-eighth month.

The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information of the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 10202 Jefferson Highway, Building A, Baton Rouge, LA 70809, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Tangipahoa Parish Clerk of Court is required to contribute at an actuarially determined rate which is presently 19.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contribution requirements of plan members and the Tangipahoa Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. In accordance with state statute, the System receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contribution are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

R.S. 11:1562(C) allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee's required contributions which would otherwise be deducted from the employee's salary. The Clerk has elected to pay 100% of all retirement system contributions to the Louisiana Clerks of Court Retirement and Relief Fund, which is 27.25% of annual covered payroll.

The Tangipahoa Parish Clerk of Court's contributions to the System for the years ending June 30, 2017, 2016, and 2015, were \$638,873 \$631,006 and \$614,450, respectively, equal to the employer's and employees' required contributions for each year.

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

At June 30, 2017, the Clerk reported a liability of \$4,862,809 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks, actuarially determined. At June 30, 2016, the Clerk's proportion was 2.628 percent.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$771,536. At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$49,626	\$165,518
Changes of assumptions	299,490	-
Net difference between projections and actual earnings on pension plan investments	838,995	-
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	274,902	42,801
Clerk contributions subsequent to the measurement date	<u>484,719</u>	<u>-</u>
Total	<u>\$1,947,732</u>	<u>\$208,319</u>

\$484,719 reported as deferred outflows of resources related to pensions resulting from Clerk contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 282,861
2019	\$ 282,861
2020	\$ 401,198
2021	\$ 287,412
2022	-
Thereafter	-

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

Actuarial assumptions. The total pension liability in the June 30, 2016, actuarial valuation 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
Projected salary increase	5.00%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) /RP-2000 Disabled Lives Mortality Table
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.

The actuarial assumptions used in the June 30, 2016, valuation (excluding Mortality) was based on actuarial funding valuation and results of an actuarial experience study for the period July 1, 2009, to June 30, 2014, unless otherwise specified.

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

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.0%	1.00%
Core plus fixed income	15.0%	1.50%
Domestic Equity:		
Large cap domestic equity	21.0%	4.25%
Nonlarge cap domestic equity	7.0%	4.00%
International Equity:		
Large cap international equity	15.50%	5.25%
Small cap international equity	5.0%	5.00%
Emerging markets	6.5%	7.25%
Real Estate	10.0%	4.75%
Master Limited Partnerships	5.0%	6.50%
Hedge Funds	10.0%	3.50%
	<u>100.0%</u>	

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

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 the actuarially determined rates approved by PRSAC 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 investment was applied to all periods of projected benefit payments to determine pension liability.

Sensitivity to Changes in Discount Rate:

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

	Changes in Discount Rate 2016		
	1% Decreased	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$6,919,686	\$4,862,809	\$3,116,933

9. Deferred Compensation Plan

Certain employees of the Tangipahoa Parish Clerk of Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The Clerk does not contribute to the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

10. Postemployment Healthcare Benefits

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

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. Retirees are required to contribute the increase in premiums since 2013 for Option 1 medical coverage. They are not required to contribute anything for Medicare supplement and dental. Retirees are required to pay 50% of their dependents' premium. Vision is voluntary and is paid 100% by the retiree. Surviving spouses of retirees pay 100% of the cost of their premiums. For fiscal year 2017, the Clerk contributed \$179,447 to the plan, and the retirees/surviving spouses contributed \$23,184.

Annual Other Postemployment Benefit Cost and Liability. 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 the parameters of GASB Statement 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 accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

The total ARC for the fiscal year ended June 30, 2017, is as set forth below:

Normal cost	\$ 107,975
Amortization of the UAAL	206,450
Interest on normal cost and amortization	<u>11,005</u>
Annual required contribution	<u>\$ 325,430</u>

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	\$ 325,430
Interest on Net OPEB Obligation	50,045
Adjustment to Annual Required Contribution	<u>(75,114)</u>
Annual OPEB Cost (Expense)	300,361
Contributions Made	<u>(179,446)</u>
Increase in Net OPEB Obligation	120,915
Net OPEB Obligation - beginning of year	<u>1,429,843</u>
Net OPEB Obligation - end of year	<u>\$ 1,550,758</u>

Utilizing the pay-as-you-go method, the Clerk contributed 59.75% of the annual postemployment benefits costs during the fiscal year ended June 30, 2017.

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 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$400,572	47.9%	\$1,301,504
6/30/2016	\$302,612	57.6%	\$1,429,843
6/30/2017	\$300,361	59.7%	\$1,550,758

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$3,929,940, all of which was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2016, was as follows:

Actuarial accrued liability (AAL)	\$3,929,940
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$3,929,940</u>
Funded ratio	0%
Covered payroll (active plan members)	\$2,551,738
UAAL as a percentage of covered payroll	154%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

Actuarial Methods and Assumptions. 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 far 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.

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, Clerk's actuarial valuation, the unit credit 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 medical healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5.0% after 13 years. Medicare Supplement trend starts at 4.0% and decreases to 3.0% after 8 years. Dental trend decreases from 4.0% to 3.0% over 5 years and vision trend is 3.0% in all years. The Clerk's unfunded actuarial liability is being amortized on a level dollar open basis over 30 years.

11. Deficit and Net Position

As a result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, net position resulted in a deficit of \$(1,591,162). Net Position was significantly affected by the recognition of the deferred outflow and inflow of resources and the net pension liability.

12. Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables of \$20,182 at June 30, 2017, consist of the following:

Accounts payable	\$20,182
Accrued payroll	-
	<u>\$20,182</u>

13. Short-Term Debt

The Clerk had no short-term debt outstanding at June 30, 2017, and had no short-term debt activity during the year then ended.

14. Long-term Obligations

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017.

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Postemployment healthcare benefits	\$1,429,843	\$ 120,915	\$ -	\$1,550,758	\$ -
Compensated absences - sick leave	164,810	-	25,023	139,787	66,032
Net Pension Liability	<u>3,662,870</u>	<u>1,199,939</u>	<u>-</u>	<u>4,862,809</u>	<u>-</u>
Total	<u>\$5,257,523</u>	<u>\$1,320,854</u>	<u>\$25,023</u>	<u>\$6,553,354</u>	<u>\$66,032</u>

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2017

15. Leases

The Clerk of Court records items under capital leases, if any, as an asset and an obligation in the accompanying financial statements. The Clerk has no capital leases outstanding at June 30, 2017, and had no capital lease activity during the year then ended.

The Clerk has no non-cancelable operating leases outstanding at June 30, 2017, and had no operating lease activity during the year then ended.

16. Interfund Transfers

The Clerk made no interfund transfers during the year ended June 30, 2017.

17. Risk Management

The Clerk is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, errors and omissions, injuries, natural disasters, and many other unforeseeable events. The Clerk purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Clerk's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from prior years, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

Tangiphoa Parish Clerk of Court
Amite, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017

Schedule 1

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Licenses and permits:				
Marriage Licenses	\$ 27,000	\$ 27,000	\$ 27,150	\$ 150
Court Cost, Fees, and Charges:				
Criminal Fees	206,750	207,479	228,276	20,797
Suits & Successions	1,775,000	1,610,000	1,660,162	50,162
Bond Fee	5,000	5,004	5,132	128
Dropped Charges Fees	6,500	1,862	1,862	-
Remote Access Fee	105,000	104,004	108,011	4,007
Court Attendance Fee	15,000	10,800	11,320	520
Computer Usage	1,600	1,771	1,767	(4)
Internet Fee	137,000	124,000	128,923	4,923
Fees for Recording Legal Documents:				
Recordings, Cancellations, and Mortgages	1,550,000	1,630,000	1,659,609	29,609
Use of Money and Property:				
Interest	35,000	20,000	37,323	17,323
Miscellaneous Revenues:				
Internet Copies	240,000	240,000	241,908	1,908
Copy Room Charges	37,000	32,000	32,038	38
Abstractor Copies	25,000	20,300	18,715	(1,585)
Minute Clerk Reimbursement	14,400	14,400	14,400	-
Birth Certificates	120,000	175,900	177,174	1,274
Death Certificates	2,500	4,320	4,106	(214)
Election Reimbursement	28,500	28,134	34,733	6,599
Parish Council Reimb-Jury	4,200	5,208	5,181	(27)
Passports	34,000	29,280	30,220	940
Clerk's Supplemental Compensation	21,900	22,752	22,750	(2)
Election Qualifying Fees	18,000	3,230	3,230	-
Miscellaneous	775	804	985	181
Expungement	6,500	5,004	5,540	536
Map Copies	6,000	1,571	1,515	(56)
Sale of Traffic Data	4,800	7,200	7,200	-
Total Revenues	<u>4,427,425</u>	<u>4,332,023</u>	<u>4,469,230</u>	<u>137,207</u>

(Continued)
See auditor's report.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2017

Schedule 1

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
<u>Expenditures</u>				
General Government:				
Clerk's Supplemental Compensation	21,900	21,900	20,900	1,000
Clerk's Vehicle Expense Allowance	23,905	22,082	22,080	2
Custodian of Voting Machines	2,400	2,400	2,400	-
Election Expense	3,500	3,446	3,446	-
Employee Health Insurance	550,000	516,063	516,229	(166)
Payroll Taxes	38,000	33,085	36,406	(3,321)
Retirement Contributions	610,000	639,000	638,873	127
Salary of Election Employees	30,000	28,444	28,444	-
Salary of Deputies	2,190,000	2,290,000	2,312,316	(22,316)
Salary of Deputies-Overtime	2,500	600	388	212
Salary of Official	122,671	110,060	110,059	1
Salary of Other Employees	15,000	13,860	15,316	(1,456)
Supplemental Compensation Fund	49,800	49,800	49,800	-
Total General Government	3,659,676	3,730,740	3,756,657	(25,917)
Operating Services:				
Building Maintenance & Security	4,500	2,160	2,042	118
Clerk's Expense Allowance	14,487	13,385	13,382	3
Remote Access Fees	62,500	49,008	55,800	(6,792)
Courier Service	17,600	18,365	18,400	(35)
Dues & Association Fees	3,250	2,500	2,502	(2)
Insurance Expense	31,750	32,881	34,159	(1,278)
Janitorial Service	32,500	30,804	30,807	(3)
Jury Commission	5,000	5,208	5,579	(371)
Legal Fees	8,000	10,000	8,458	1,542
Marriage License-Spouse Abuse	12,000	10,650	12,897	(2,247)
Miscellaneous	1,050	801	1,184	(383)
Birth Certificates	85,000	83,568	103,686	(20,118)
Utilities	3,220	2,676	2,843	(167)
Office Equipment Rental & Maint.	79,000	78,996	82,670	(3,674)
Professional Fees	68,000	78,000	77,462	538
Qualifying Fees	15,000	2,810	2,810	-
Telephone	17,500	20,000	19,126	874
UCC Billings	35,400	38,304	42,324	(4,020)
Appeal Expense	2,000	5,172	5,170	2
Bad Debt Expense	100	-	-	-
Disaster Recovery- Documents	-	14,282	14,282	-
Total Operating Services	497,857	499,570	535,583	(36,013)

(Continued)

Tangipahoa Parish Clerk of Court
Amite, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2017

Schedule 1

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
Materials and Supplies:				
Office Supplies	97,000	96,996	89,664	7,332
Postage	45,000	44,880	44,725	155
Computer Expense	59,000	50,000	32,885	17,115
Bank/Credit Card Charges	7,370	9,600	10,616	(1,016)
Petty Cash	75	-	-	-
Total Materials and Supplies	<u>208,445</u>	<u>201,476</u>	<u>177,890</u>	<u>23,586</u>
Travel and Education:				
Travel & Conventions	2,800	504	954	(450)
Training & Education	1,500	300	353	(53)
Total Travel and Education	<u>4,300</u>	<u>804</u>	<u>1,307</u>	<u>(503)</u>
Capital Expenditures:				
Computers	15,000	4,000	26,675	(22,675)
Equipment	15,000	1,500	519	981
Renovation	-	1,732	1,732	-
Total Capital Expenditures	<u>30,000</u>	<u>7,232</u>	<u>28,926</u>	<u>(21,694)</u>
Total Expenditures	<u>4,400,278</u>	<u>4,439,822</u>	<u>4,500,363</u>	<u>(60,541)</u>
(Deficiency)/Excess Revenues	20,647	(107,799)	(31,133)	76,666
Fund Balance, Beginning of Year	<u>3,096,817</u>	<u>3,005,768</u>	<u>3,005,768</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,117,464</u>	<u>\$ 2,897,969</u>	<u>\$ 2,974,635</u>	<u>\$ 76,666</u>

(Concluded)

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Schedule 2

Schedule of the Clerk's Proportionate Share of the Net Pension Liability
Louisiana Clerks of Court Retirement and Relief Fund

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Clerk's proportion of the net pension liability (asset)	2.628%	2.44%	2.48%
Clerk's proportionate share of the net pension liability (asset)	4,862,809	3,662,870	3,354,998
Clerk's covered-employee payroll	2,647,249	2,496,029	2,308,609
Clerk's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	183.69%	146.75%	145.32%
Plan fiduciary net position as a percentage of the total pension liability	74.17%	78.13%	79.34%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Data reported is measured as of July 1, 2016, (measurement date).

See auditor's report.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Schedule 3

Schedule of the Clerk's Contributions
Louisiana Clerks of Court Retirement and Relief Fund

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 484,719	\$ 455,854	\$ 419,739
Contributions in relation to the contractually required contribution	<u>484,719</u>	<u>455,854</u>	<u>419,739</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Clerk's covered-employee payroll	\$ 2,647,249	\$ 2,496,029	\$ 2,308,609
Contributions as a percentage of covered-employee payroll	18.31%	18.26%	18.18%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Data reported is measured as of July 1, 2016, (measurement date).

See auditor's report.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Schedule 4

Schedule of Funding Progress
Postemployment Healthcare Benefits

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/2009	\$ 0	\$4,710,294	\$4,710,294	0%	\$1,975,226	238.5%
6/30/2012	\$ 0	\$4,627,906	\$4,627,906	0%	\$2,236,710	206.9%
6/30/2015	\$ 0	\$3,929,940	\$3,929,940	0%	\$2,413,676	162.8%

See Note 10 to the Financial Statements

See auditor's report.

OTHER SUPPLEMENTAL INFORMATION

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Schedule 5

Fiduciary Funds - Agency Funds

Schedule of Changes in Unsettled Deposits - Agency Funds
For the Year Ended June 30, 2017

	Advance Deposit Fund	Registry Of Court Fund	Civil Jury Fund	Total
Unsettled Deposits at Beginning of Year	\$ 1,646,438	\$ 2,116,888	\$ 947	\$ 3,764,273
Additions:				
Deposits:				
Suits, successions and judgments	2,527,257	-	28,222	2,555,479
Judgments	-	1,439,230	-	1,439,230
Interest	-	21,928	61	21,989
Total Additions	2,527,257	1,461,158	28,283	4,016,698
Reductions:				
Clerk costs	1,678,854	-	-	1,678,854
Settlements to litigants	406,501	1,035,583	-	1,442,084
Sheriff's fees	149,995	-	-	149,995
Judicial expense	130,780	-	-	130,780
Juror cost	-	-	28,222	28,222
Other reductions	60,509	-	-	60,509
Stenographer's fees	12,496	-	-	12,496
Total Reductions	2,439,135	1,035,583	28,222	3,502,940
Unsettled Deposits at End of Year	\$ 1,734,560	\$ 2,542,463	\$ 1,008	\$ 4,278,031

See auditor's report.

Tangipahoa Parish Clerk of Court
Amite, Louisiana

Schedule 6

Schedule of Compensation, Benefits, and other Payments to Clerk of Court
For the Year Ended June 30, 2017

JULIAN DUFRECHE AND GARY STANGA, CLERK OF COURT

<u>Purpose</u>	<u>Amount</u>
<u>Julian Dufreche</u>	
Salary	\$ 69,152.75
Clerk's Supplemental Compensation	12,033.34
Vehicle Expense Allowance	12,668.19
Clerk's Expense Allowance	7,677.71
Custodian of Voting Machines	1,266.67
Benefits - Insurance	1,412.74
Benefits - Medicare	1,691.20
Benefits - Retirement	<u>16,884.15</u>
	<u>\$122,786.75</u>
 <u>Gary Stanga</u>	
Salary	\$ 45,984.60
Clerk's Supplemental Compensation	10,766.66
Vehicle Expense Allowance	9,412.34
Clerk's Expense Allowance	5,704.47
Custodian of Voting Machines	1,133.34
Benefits - Insurance	873.25
Benefits - Medicare	804.00
Benefits - Retirement	<u>11,866.56</u>
	<u>\$ 86,545.22</u>

See auditor's report.

**OTHER INDEPENDENT AUDITOR'S REPORTS AND
FINDING AND RECOMMENDATIONS**

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Christie J. Barado
Megan E. Lynch
B. Jacob Steib
Debbie G. Faust, EA
Ramona K. Huckabee, EA



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

The Honorable Gary Stanga, Clerk of Court
Tangipahoa Parish Clerk of Court
Amite, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Tangipahoa Parish Clerk of Court, a component unit of Tangipahoa Parish Government, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Clerk of Court's basic financial statements, and have issued our report thereon dated December 14, 2017.

Internal Control over Financial Reporting

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

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

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

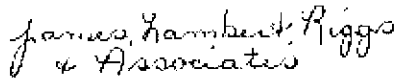
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Clerk of Court's 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*.

The Honorable Gary Stanga, Clerk of Court
Tangipahoa Parish Clerk of Court

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.

Hammond, Louisiana
December 14, 2017

Tangipahoa Parish Clerk of Court
Amite, Louisiana

SCHEDULE OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND RESPONSES
As of and for the Year Ended June 30, 2017

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

**TANGIPAHOA PARISH CLERK OF COURT
AMITE, LOUISIANA**

STATEWIDE AGREED-UPON PROCEDURES REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Christie J. Barado
Megan E. Lynch
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Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable Gary Stanga, Clerk of Court
Hammond, Louisiana and the Louisiana Legislative Auditor

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

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

Our procedures and findings are detailed in Schedule "A"

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

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results 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 Legislative Auditor as a public document.

*James Lambert Riggs
& Associates*

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

December 14, 2017

Written Policies and Procedures

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

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

Results: We sighted the entity's written policies and procedures for budgeting.

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

Results: We sighted the entity's written policies and procedures for purchasing.

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

Results: We sighted the entity's written policies and procedures for disbursements.

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

Results: We sighted the entity's written policies and procedures for receipts.

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

Results: We sighted the entity's written policies and procedures for payroll / personnel.

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

Results: We sighted the entity's written policies and procedures for contracts.

- 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

Results: We sighted the entity's written policies and procedures for credit cards and fuel cards.

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

Results: We sighted the entity's written policies and procedures for travel and expense reimbursements.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that

all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Results: We sighted the entity's written policies and procedures for ethics.

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

Results: The entity does not have a debt service written policy, as the entity has never issued debt.

Board (or Finance Committee, if applicable)

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

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

Results: The Clerk of Court is an independently elected official, and there is no governing board or minutes.

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

Results: The Clerk of Court is an independently elected official, and there is no governing board or minutes.

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

Results: The Clerk of Court is an independently elected official, and there is no governing board or minutes.

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

Results: The Clerk of Court is an independently elected official, and there is no governing board or minutes.

Bank Reconciliations

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

Results: Management provided us with the required listing of bank accounts as well as management's representation that the listing is complete.

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 five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Results: For the eight bank accounts selected, all bank reconciliations were prepared for all twelve months for the period July 1, 2016 through June 30, 2017.

- 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

Results: For the eight bank accounts selected, evidence existed that the bank statements were reviewed by the Chief Deputy; however, no evidence existed that the bank reconciliations were reviewed after their preparation for the period July 1, 2016 through June 30, 2017.

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

Results: For the eight bank accounts selected, two bank accounts had outstanding items over six months as of June 30, 2017. For these two accounts, no evidence existed that the entity has researched the outstanding reconciling items as of June 30, 2017. Sighted documentation after June 30, 2017, that the entity researched outstanding items.

Collections

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

Results: Management provided us with the required listing of cash collection locations as well as management's representation that the listing is complete.

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 five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

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

Results: All individuals that are able to collect cash are all bonded. None of these individuals have the ability to deposit cash in the bank. Additionally, none of the individuals are responsible for recording the related transaction in the accounting system. Finally, none of the individuals that are able to collect cash are responsible for reconciling the related bank account. Cashiers maintain their own cash drawers.

- 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.

Results: Management provided us with written documentation for reconciling cash collections to the general ledger.

- 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.

Results: The highest week of cash collections had five days of collections. All collections were deposited within one business day.

- 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.

Results: Daily cash collections for the highest week of cash collections were completely supported by documentation.

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

Results: The entity provided written policies and procedures for collections.

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

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

Results: Management provided us with the required listing of disbursements as well as management's representation that the listing is complete.

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

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

Results: For the 25 transactions selected, all were initiated with purchase orders

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

Results: For the 25 transactions selected, all purchase orders were approved by a non-initiating employee.

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

Results: All 25 transactions included a receiving report and all 25 transactions had an approved invoice.

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.

Results: We sighted the entity's written policies and procedures for purchasing. The chief financial officer who is responsible for processing payments is able to add vendors to the entity's purchasing / disbursement system.

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

Results: We sighted the entity's written policies and procedures for purchasing. The individuals who can initiate or record purchases also have signatory authority.

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.

Results: We sighted the entity's written policies and procedures for purchasing. Checks are printed on blank check stock, and individuals with signatory authority do have access to print checks.

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

Results: The Clerk of Court utilizes a signature machine for the checks written out of the Advanced Deposit Fund. The electronic signature and software is maintained under his control.

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.

Results: Management provided us with the required listing of credit cards and fuel cards as well as management's representation that the listing is complete.

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

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

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

Results: For the three credit card / fuel cards selected, the statements of the card was reviewed and approved, in writing, by someone other than the authorized card holder.

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

Results: For the three credit card / fuel cards selected, no finance charges and / or late charges were assessed.

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

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

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

Results: For the three credit card / fuel cards selected, all had supporting itemized receipts for all transactions.

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

Results: For the three credit card / fuel cards selected, the card selected had supporting documentation of the business/ public purpose. No meals were purchased to review documentation.

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

Results: We sighted the entity's written policies and procedures for credit cards and fuel cards. For the three credit card / fuel cards selected, the card selected had other supporting documentation required by the entity's written policy.

- 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.

Results: For the three credit card / fuel cards selected, no transactions reviewed required the solicitation of bids or quotes.

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

Results: For the three credit card / fuel cards selected, there were no violations of Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

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

Results: Management provided us with the required listing of travel and related expense reimbursements as well as management's representation that the listing is complete.

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.

Results: We sighted the entity's written policies and procedures for travel and expense reimbursements. No reimbursement rates exceeded GSA rates.

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

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

Results: The entity did not have any travel or expense reimbursements for the period of July 1, 2016 through June 30, 2017, per management and review of the general ledger detail.

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.]

Results: The entity did not have any travel or expense reimbursements for the period of July 1, 2016 through June 30, 2017, per management and review of the general ledger detail.

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

Results: The entity did not have any travel or expense reimbursements for the period of July 1, 2016 through June 30, 2017, per management and review of the general ledger detail.

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

Results: The entity did not have any travel or expense reimbursements for the period of July 1, 2016 through June 30, 2017, per management and review of the general ledger detail.

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

Results: The entity did not have any travel or expense reimbursements for the period of July 1, 2016 through June 30, 2017, per management and review of the general ledger detail.

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

Results: The entity did not have any travel or expense reimbursements for the period of July 1, 2016 through June 30, 2017, per management and review of the general ledger detail.

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.

Results: Management provided us with a listing of all contracts in effect during the period July 1, 2016 through June 30, 2017 as well as management's representation that the listing is complete.

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

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

Results: For the one contract selected, there was a formal / written contract that supported the services arrangement and the amount paid.

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

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

Results: For the one contract selected, it was not subject to the Louisiana Public Bid Law.

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

Results: For the one contract selected, the contract was for a service engagement. There was no documentary evidence in the files that the entity solicited other quotes for the one contract selected.

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.

Results: For the one contract selected, it was not amended during the period July 1, 2016 through June 30, 2017.

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.

Results: For the one contract selected, the largest payment contained supporting invoices that complied with the terms and conditions of the contract.

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

Results: For the one contract selected, it did not require approval by a board since the Clerk of Court is an independently elected official. The contract was properly approved by the Clerk of Court.

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. 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.

Results: Management provided us with the required list of employees and salaries as well as management's representation that the listing is complete. For the five randomly selected employees, compensation paid to each employee was made in accordance with each employee's approved pay rate.

- 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.

Results: Management provided us with the required list of employees and salaries as well as management's representation that the listing is complete. For the five randomly selected employees, all changes to each employee's approved pay rates were approved in writing and in accordance with written policy.

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.)

Results: Management provided us with all attendance and leave records for the period July 1, 2016 through June 30, 2017. For all selected employees, the daily time and attendance was documented.

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

Results: Management provided us with all attendance and leave records for the period July 1, 2016 through June 30, 2017. For all selected employees, we sighted documentation that supervisors approved all leave requests.

- 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.

Results: Management provided us with all attendance and leave records for the period July 1, 2016 through June 30, 2017. For all selected employees, we sighted written documentation of the entity's leave records.

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

Results: Per management, no employees were terminated during the period of July 1, 2016 through June 30, 2017.

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.

Results: Management provided us with all supporting documentation related to payroll taxes and retirement contributions for the period July 1, 2016 through June 30, 2017. For this period, all payroll tax deposits and retirement contribution payments were paid by the required deadlines.

Ethics (excluding nonprofits)

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

Results: For the five randomly selected employees, all ethics compliance documentation was provided to us and the required ethics training was completed for all employees.

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.

Results: Per conversation with Stormy Norman, the Chief Financial Officer, the entity had no alleged ethics violations reported during the period July 1, 2016 through June 30, 2017.

Debt Service (excluding nonprofits)

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

Results: The entity has no outstanding debt.

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.

Results: The entity has no outstanding debt.

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

Results: The entity has no outstanding debt.

Other

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.

Results: Per conversation with Stormy Norman, Chief Financial Officer, the entity had no misappropriations of public funds or assets during the period July 1, 2016 through June 30, 2017.

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.

Results: Sighted copy of the notice posted on the premises and the website.

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

Results: There were no exceptions regarding management's representations in the procedures above.



Tangipahoa Parish Clerk of Court

GARY T. STANGA, CLERK OF COURT
P.O. BOX 667 • AMITE, LOUISIANA 70422

ALICIA FUSSELL
CHIEF DEPUTY

STORMY NORMAN
CHIEF FINANCIAL OFFICER

AMITE (985) 748-4146
FAX (985) 748-6503
WWW.TANGICLERK.ORG

Management Response to Agreed-Upon Procedures July 1, 2016 to June 30, 2017

Bank Reconciliations

4b) In September, 2017, which was outside of this reporting period, the procedure for reviewing the bank statements and reconciliations have been altered. Previously the bank statements were reviewed and approved by the Chief Deputy prior to the Chief Financial Officer preparing monthly reconciliations. Under new procedures implemented in September, 2017, the Chief Deputy reviews and approves both the bank statement and the reconciliation after it is prepared by the Chief Financial Officer.

4c) With respect to the outstanding items being researched, it is our policy to review and submit outstanding items over one year to Unclaimed Property. This is done by October 31st of each year. These items are reviewed and approved by the Chief Deputy or the Clerk before funds are sent to Unclaimed Property. From this point forward, we will start our reviewing process at June 30th of each year.

Stormy Norman
Chief Financial Officer

Tangipahoa Parish Clerk of Court
Amite, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
As of and for the Year Ended June 30, 2017

Internal Control over Financial Reporting

None

Compliance and Other Matters

None