
**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2023**

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1 - 3
<u>REQUIRED SUPPLEMENTARY INFORMATION – PART I</u>	
Management's Discussion and Analysis	4 - 8
<u>BASIC FINANCIAL STATEMENTS</u>	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Fund	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	14
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to Financial Statements	17 - 32
<u>REQUIRED SUPPLEMENTARY INFORMATION – PART II</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance of the General Fund - Budget (GAAP Basis) and Actual	33
Schedule of Changes in the Other Post-Employment Benefits Liability and Related Ratios	34
Schedule of Proportionate Share of the Net Pension Liability – Louisiana Clerks' of Court Retirement and Relief Fund	35
Schedule of Employer Contributions – Louisiana Clerks' of Court Retirement and Relief Fund	36
Notes to the Required Supplementary Information	37

TABLE OF CONTENTS

	<u>PAGE</u>
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments to the Clerk of Court	38
Judicial System Funding Schedule – Collecting / Disbursing Entity as Required by Act 87 of the 2020 Regular Legislative Session (Cash Basis Presentation)	39 - 41
Judicial System Funding Schedule – Receiving Entity as Required by Act 87 of the 2020 Regular Legislative Session (Cash Basis Presentation)	42
<u>OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS</u>	
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43 - 44
Schedule of Findings and Recommendations	45 - 46
Summary Schedule of Prior Audit Findings	47

INDEPENDENT AUDITORS' REPORT

DeSoto Parish Clerk of Court
Mansfield, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the DeSoto Parish Clerk of Court (Clerk), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the DeSoto Parish Clerk of Court, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Changes in Other Post-Employment Benefits Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability – Louisiana Clerks' of Court Retirement and Relief Fund, and the Schedule of Employer Contributions – Louisiana Clerks' of Court Retirement and Relief fund on pages 4 through 8, 33, 34, 35, and 36, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Clerk of Court and the Judicial System Funding Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is 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 a report dated May 22, 2024, on our consideration of the Clerk'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 solely 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 the effectiveness of the Clerk's 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 Clerk's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
May 22, 2024



REQUIRED SUPPLEMENTAL INFORMATION – PART I

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The Management's Discussion and Analysis of the DeSoto Parish Clerk of Court's financial performance presents a narrative overview and analysis of the DeSoto Parish Clerk of Court's financial activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the DeSoto Parish Clerk of Court's financial statements, which begin on page 9.

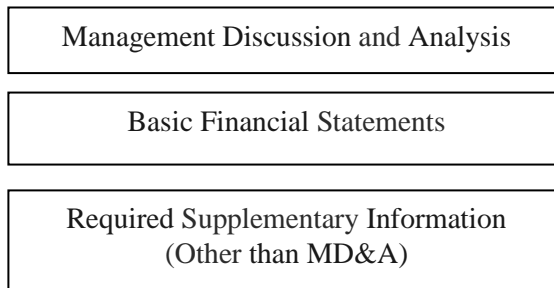
FINANCIAL HIGHLIGHTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Clerk of Court as a whole and present a longer-term view of the Clerk of Court's finances. The governmental fund financial statements tell how the Clerk's services were financed in the short-term as well as what remains for future spending.

- The Clerk's net position decreased by approximately \$697,000 in the current year compared to a decrease in net position of approximately \$242,000 in the prior year.
- The General fund reported a deficiency of revenues over expenditures of approximately \$629,000, reducing fund balance to \$4,664,239. The deficiency is higher in comparison to the deficiency of approximately \$270,000 provided for in the prior year. The deficiency is primarily the result of increases in personnel services and benefits.
- Total expenditures in the general fund increased by approximately \$473,000. This is attributed to increases in personnel services and benefits. The increase in personnel services and benefits is attributed to annual salary increases. Revenues increased approximately \$129,000. That increase is attributable to an increase in recording fees and interest income.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following illustrates the minimum requirements for the DeSoto Parish Clerk of Court as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the DeSoto Parish Clerk of Court as a whole and present a longer-term view of the Clerk's finances. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the Clerk's net position and changes in them. One can think of the Clerk's net position, the difference between assets and deferred outflows and liabilities and deferred inflows, as one way to measure the Clerk's financial health, or financial position. Over time, increases or decreases in the Clerk's net position is an indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the Clerk's basic services, except in which the Clerk acts as a custodian and are accounted for in a fiduciary fund, are reported in a governmental fund type, which focuses on how money flows into and out of the fund and the balances left at year end that are available for spending. This fund type is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund type statement provides a detailed short term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's activities as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
As of Year End

	2023	2022
Current assets	\$ 5,532,462	\$ 6,062,958
Noncurrent assets:		
Capital assets, net	130,533	64,512
Total assets	5,662,995	6,127,470
Deferred outflows of resources	1,246,616	817,281
Current liabilities	875,718	776,945
Noncurrent liabilities:		
Other post-employment benefits liability	642,734	608,050
Net pension liability	2,282,107	1,202,264
Total liabilities	3,800,559	2,587,259
Deferred inflows of resources	275,850	827,695
Net investment in capital assets	130,533	64,512
Unrestricted net position	2,702,669	3,465,285
Total net position	\$ 2,833,202	\$ 3,529,797

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Net position of the DeSoto Parish Clerk of Court decreased by approximately \$697,000, or 20%, from the previous fiscal year (2022). The decrease in net position is the result of the increase in personnel services.

The condensed statement of activities below compares operating results for 2023 and 2022.

Statement of Activities For the Year Ended		
	2023	2022
General revenue	\$ 193,059	\$ 161,239
Charges for service	2,034,110	2,064,010
Operating grants	135,377	20,500
Total revenue	2,362,546	2,245,749
General government expenses	(3,059,141)	(2,487,451)
Change in net position	(696,595)	(241,702)
Net position (beginning)	3,529,797	3,771,499
Net position (ending)	2,833,202	3,529,797

The DeSoto Parish Clerk of Court's total revenues increased approximately \$117,000 due primarily to interest income increasing as interest rates increased over the prior year. The total costs of all programs and services increased by approximately \$487,000, primarily due to increases in personnel services and benefits and operating costs. The clerk hired additional employees plus annual raises were provided to employees.

Capital Assets

At June 30, 2023, the DeSoto Parish Clerk of Court had \$130,533, net of depreciation, invested in capital assets (see table below). This amount represents a net increase of \$66,021, including depreciation.

Capital Assets at Year End (Net of Depreciation)		
	2023	2022
Furniture, fixtures and equipment	\$ 130,533	\$ 64,512
Total	\$ 130,533	\$ 64,512

The increase is due to capital outlay of \$88,793 offset by depreciation of \$22,772 in the current year.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Long-Term Liabilities

The DeSoto Parish Clerk of Court's long-term liabilities consists of its other post-employment benefits liability and net pension liability. The other post-employment benefits liability increase by \$35,212, or 6%. The increase is due to the change in actuary assumptions, specifically the discount rate. The net pension liability increased by \$1,079,843, or 90%. The decrease is due to an overall increase in pension liability at the system level, primarily attributable to investment value decreases. See table detailing long-term liabilities below.

Long-Term Liabilities at Year End

	2023	2022
Other post-employment benefits liability	\$ 650,229	\$ 615,017
Net pension liability	2,282,107	1,202,264
Total	\$ 2,932,336	\$ 1,817,281

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues and transfers in were \$106,869 more than budgeted amounts due to recording fees and interest income being more than expected.

Actual expenditures were \$27,310 more than budgeted amounts primarily due to expenditures associated with operations and capital outlay being more than expected.

The budget was amended in anticipation of charges for services and interest revenues being more than expected and personnel services and benefits expenditures being more than expected. The budget was amended through a \$152,300 increase in revenue due to an anticipated increase in court costs, fees and charges, recording fees, and interest income. Expenditures were increased \$480,000 due to anticipated increases in personnel services and benefits, operating costs and capital outlay.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The DeSoto Parish Clerk of Court's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Fees
2. Interest income
3. Miscellaneous revenues
4. Personnel costs
5. Other costs

The DeSoto Parish Clerk of Court is continuing to expand its services to Clerks of Court in surrounding parishes and is optimistic this will result in a positive impact on its net position.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CONTACTING THE DESOTO PARISH CLERK OF COURT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the DeSoto Parish Clerk of Court's finances and to demonstrate the Clerk of Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the DeSoto Parish Clerk of Court, Attention: Jeremy M. Evans, Clerk of Court, at Post Office Box 1206, Mansfield, Louisiana 71052.

BASIC FINANCIAL STATEMENTS

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 1,345,101
Investments	4,158,116
Accounts receivable (net of allowance of \$2,751)	19,426
Prepays	9,819
Total current assets	<u>5,532,462</u>
Noncurrent Assets:	
Capital assets, net of depreciation	130,533
Total assets	<u>5,662,995</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflow amounts related to other post-employment benefit obligation	194,829
Deferred outflow amounts related to pension liability	1,051,787
Total deferred outflows of resources	<u>1,246,616</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	89,473
Accrued expenses	93,604
Unearned revenue	685,146
Current portion of other post-employment benefits liability	7,495
Total current liabilities	<u>875,718</u>
Noncurrent Liabilities:	
Other post-employment benefits liability, net of current portion	642,734
Net pension liability	2,282,107
Total liabilities	<u>3,800,559</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow amounts related to other post-employment benefits	254,620
Deferred inflow amounts related to pension liability	21,230
Total deferred inflows on resources	<u>275,850</u>
<u>NET POSITION</u>	
Net investment in capital assets	130,533
Unrestricted	2,702,669
Total net position	<u>\$ 2,833,202</u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Charges for Services	Operating Grants and Contributions	Net Expense and Changes in Net Position
<u>Functions/Programs</u>				
Governmental activities				
General government	\$ 3,059,141	\$ 2,034,110	135,377	\$ (889,654)
Total governmental activities	\$ 3,059,141	\$ 2,034,110	\$ 135,377	(889,654)
General revenues:				
Miscellaneous				81,697
Interest				111,362
Total general revenues				193,059
Change in net position				(696,595)
Net position, beginning of year				3,529,797
Net position, end of year				\$ 2,833,202

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2023

	<u>General</u>	<u>Advance Deposit</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 830,151	\$ 514,950	\$ 1,345,101
Investments	4,046,151	111,965	4,158,116
Accounts receivable (net of allowance of \$2,751)	19,426	-	19,426
Due from other funds	35,838	50,188	86,026
Prepays	9,819	-	9,819
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 4,941,385</u>	<u>\$ 677,103</u>	<u>\$ 5,618,488</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 89,473	\$ -	\$ 89,473
Accrued expenses	93,604	-	93,604
Due to other funds	50,188	35,838	86,026
Unearned revenue	43,881	641,265	685,146
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>277,146</u>	<u>677,103</u>	<u>954,249</u>
 <u>FUND BALANCE</u>			
Nonspendable - prepaids	9,819	-	9,819
Unassigned	4,654,420	-	4,654,420
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>4,664,239</u>	<u>-</u>	<u>4,664,239</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 4,941,385</u>	<u>\$ 677,103</u>	<u>\$ 5,618,488</u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balance - Governmental Fund		\$ 4,664,239
Amounts reported in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds. This is the amount of capital assets, net of accumulated depreciation (\$169,243), in the current period.		
		130,533
Other post-employment benefits (OPEB) liability and deferrals recorded in accordance with GASB 75		
Deferred outflow of resources - related to OPEB	194,829	
Other post-employment benefits obligation	(650,229)	
Deferred inflow of resources - related to OPEB	<u>(254,620)</u>	
		(710,020)
Net pension liability and deferrals recorded in accordance with GASB 68		
Deferred outflow of resources - related to net pension liability	1,051,787	
Net pension liability	(2,282,107)	
Deferred inflow of resources - related to net pension liability	<u>(21,230)</u>	
		<u>(1,251,550)</u>
Total net position - Governmental Activities		<u><u>\$ 2,833,202</u></u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Advance Deposit</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Licenses & permits			
Marriage licenses	\$ 4,086	\$ -	\$ 4,086
Charges for services			
Court costs, fees and charges	654,640	413,243	1,067,883
Recording fees	945,564	-	945,564
Copy fees	16,577	-	16,577
Intergovernmental			
Supplemental compensation fund	21,400	-	21,400
Miscellaneous			
Interest	111,362	-	111,362
Other	81,697	-	81,697
Total revenues	<u>1,835,326</u>	<u>413,243</u>	<u>2,248,569</u>
<u>EXPENDITURES</u>			
Current			
Personnel services and benefits	1,942,103	-	1,942,103
Operating	835,081	11,333	846,414
Capital outlay	88,793	-	88,793
Total expenditures	<u>2,865,977</u>	<u>11,333</u>	<u>2,877,310</u>
Excess of revenues (under) over expenditures	<u>(1,030,651)</u>	<u>401,910</u>	<u>(628,741)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	401,910	-	401,910
Operating transfers out	-	(401,910)	(401,910)
Total other financing sources (uses)	<u>401,910</u>	<u>(401,910)</u>	<u>-</u>
Net change in Fund Balance	(628,741)	-	(628,741)
Fund balance - beginning of year	<u>5,292,980</u>	<u>-</u>	<u>5,292,980</u>
Fund balance - end of year	<u>\$ 4,664,239</u>	<u>\$ -</u>	<u>\$ 4,664,239</u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balance - governmental fund \$ (628,741)

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays 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. This is the amount by which capital outlay (\$88,793) exceeds depreciation (\$22,772) in the current period. 66,021

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 expenditures consist of:

Change in other post-employment benefits liability and deferred inflows and outflows in accordance with GASB 75. (20,968)

Change in net pension liability and deferred inflows and outflows in accordance with GASB 68. (112,907)

Change in net position - governmental activities \$ (696,595)

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	<u>Custodial Funds</u>
	<u>Registry of the Court Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 8,195,834
Total assets	<u>\$ 8,195,834</u>
<u>NET POSITION</u>	
Restricted for:	
Individuals, organizations and other governments	\$ 8,195,834
Total net position	<u>\$ 8,195,834</u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
	<u>Registry of the Court Fund</u>
<u>ADDITIONS</u>	
Suits and successions	\$ 1,741,780
Interest income	23,329
	<hr/>
Total additions	1,765,109
	<hr/>
<u>DEDUCTIONS</u>	
Settlements to litigants	300,802
	<hr/>
Total deductions	300,802
	<hr/>
Net increase in fiduciary net position	1,464,307
	<hr/>
Net position - beginning of year	6,731,527
	<hr/>
Net position - end of year	\$ 8,195,834
	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the DeSoto Parish Clerk of Court (the 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.

Basis of Presentation

The accompanying financial statements of the Clerk 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.

Reporting Entity

For financial reporting purposes, the Clerk's basic financial statements include all funds that are controlled by the Clerk as an independently elected Parish Official. As an independently elected official, the Clerk is solely responsible for the operations of his office. Fiscally independent means that the Clerk may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Clerk also has no component units as other legally separate organizations for which the Clerk is financially accountable. There are no other primary governments with which the Clerk has a significant relationship. Accordingly, the Clerk is a primary government for reporting purposes. The criteria for including organizations as component units within the Clerk's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate.

Fund Accounting

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related 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 most of the Clerk's governmental activities. These funds focus on the sources, uses, and balances of current financial resources. 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. The following are the clerk's governmental funds:

General Fund

The General fund is the primary operating fund of the Clerk and it's considered to be the Clerk's only major fund. It is used to account for all financial resources except those required to be accounted for in other funds. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Clerk's policy.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Accounting (continued)

Governmental Funds (continued)

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Advance Deposit Fund – provided for under Louisiana Revised Statute 13:842, is used to account for advance deposits in suits filed by litigants. See current year adoption of new accounting standards within this footnote.

Fiduciary Funds

Fiduciary fund reporting focuses on resources held for other parties. The only funds accounted for in this category by the Clerk are custodial funds. The custodial funds are used to account for assets held by the Clerk as an agent for litigants pending court action. Liabilities are recognized when an event occurs that compels the Clerk to disburse fiduciary resources. The custodial funds use the full accrual basis of accounting. The following custodial funds are utilized by the Clerk:

The Registry of Court Fund – provided for under Louisiana Revised Statute 13:475, is used to account for funds held by order of the court until judgment is rendered by the judiciary.

Basis of Accounting / Measurement Focus

Government-wide financial statements (GWFS)

The statement of net position and the statement of activities display information about the primary government (the Clerk). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities are generally financed through program revenues and include: a) fees and charges paid by the recipients for goods or services offered by the programs, and b) grants contributions that are restricted to meeting the operational or capital requirements of a particular program.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The GWFS and fiduciary fund statements are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Clerk gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Basis of Accounting / Measurement Focus (continued)

Fund Financial Statements (FFS)

The fund financial statements provide information about the Clerk's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. The General Fund is the Clerk's only major governmental fund.

The amounts reflected in the Governmental Funds are accounted for using the 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 net fund balances reports on the sources (i.e., revenues and other financing resources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Clerk's operations.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Clerk considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Copies, fees, recording, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Clerk prepares and submits for public inspection a budget each year prior to June 15, for its governmental funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase/decrease therein for the current year, using the modified accrual basis of accounting. The Clerk amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. The budget was amended during this year. All budget appropriations lapse at year end.

Cash and Cash Equivalents

Cash includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the Clerk may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Investments

Investments are limited by Louisiana R.S. 33:2955 and the Clerk's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Receivables

All receivables are reported at their gross value. The Clerk expects to collect all balances due but has recorded an allowance for bad debts of \$2,751

Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Clerk is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 15 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized. The Clerk maintains a threshold level of \$1,000 or more for capitalizing assets.

Compensated Absences

Employees of the Clerk earn annual and sick leave at various rates depending on the number of years of service. Leave does not carry over or accumulate from one year to the next, and there are no vesting privileges. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

Pension Plans

The Clerk is a participating employer in the Louisiana Clerks' of Court Retirement and Relief Fund (Fund) as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Fund and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plan.

Unearned Revenue

Unearned revenues are liabilities resulting from the collection of advance deposits or other dedicated funds before the eligibility requirements have been met, or expended on its intended purpose.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and as such, will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 5 for additional information on deferred outflows of resources related to other post-employment benefits and Note 6 for additional information on deferred outflows of resources related to defined benefit pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenues) until that time. See Note 5 for additional information on deferred inflows of resources related to other post-employment benefits and Note 6 for additional information on deferred inflows of resources related to defined benefit pension plans.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Net Position

For the government-wide statement of net position, net position amount is classified and displayed in three components:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained by an external source to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Clerk.

For the fiduciary statement of net position, net position is restricted due to the nature of the funds (custodial), and is restricted for individuals, organizations, and other governments, until the Clerk is compelled, usually by court order, to relieve the obligation to the respective individuals, organizations, or other governments.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Balance of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

- Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted – represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.
- Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk's highest level of decision-making authority.
- Assigned – represents balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed or assigned to be specific purposes within the general fund.

When expenditures are incurred for the purposes of which both restricted and unrestricted amounts are available, the Clerk's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for the purposes of which committed, assigned and unassigned amounts are available, the Clerk's office reduces committed amounts first followed by assigned amounts and then unassigned amounts.

Current Year Adoption of Net Accounting Standard

The Clerk's Office implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard is intended to streamline the accounting for these types of arrangements similar to those arrangements listed under GASB 87, *Leases*. The adoption of this standard had no impact on the Clerk's Office.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Deposits

At June 30, 2023, the Clerk had cash and investments (book balance) totaling \$13,699,051. Deposits including cash and cash equivalents and investments on the balance sheet at June 30, 2023, are as follows:

	General Fund	Advance Deposit Fund	Custodial Funds	Total
Cash and cash equivalents				
Cash on hand (petty cash)	\$ 3,224	\$ -	\$ -	\$ 3,224
Time and savings deposits	310,739	-	-	310,739
Demand deposits	516,188	514,950	8,195,834	9,226,972
	<u>830,151</u>	<u>514,950</u>	<u>8,195,834</u>	<u>9,540,935</u>
Investments				
External investment pool	1,732,835	-	-	1,732,835
Certificates of deposit	2,313,316	111,965	-	2,425,281
	<u>4,046,151</u>	<u>111,965</u>	<u>-</u>	<u>4,158,116</u>
Total deposits	<u>\$ 4,876,302</u>	<u>\$ 626,915</u>	<u>\$ 8,195,834</u>	<u>\$ 13,699,051</u>

Deposits in financial institutions can be exposed to 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 them. The Clerk does not have a deposit policy for custodial credit risk; however, state law is designed to limit this risk. State law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2023, the Clerk's bank balance deposits held with local banks totaled \$11,996,383. This balance was collateralized or FDIC insured for balances up to approximately \$11,733,000 and therefore, was exposed to custodial credit risk.

Investments

The Clerk maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Clerk may invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities and other governmental debt obligations with limited exceptions as noted in Louisiana R.S. 33:2955. Investments in time certificates of deposit can be placed with state banks, national banks or federal credit unions as permitted in state statute.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (continued)

Investments (continued)

As of June 30, 2023, the Clerk had its assets in money market instruments and certificates of deposit. The below schedule identifies the investments by type:

Type of Investment	Carrying Value	Remaining Maturity		Credit Rating (S&P's)
		Less than 1 year	1 – 5 years	
Investments measured at net asset value (NAV)				
External investment pool	\$ 1,732,835	\$ 1,732,835	\$ -	AAAm
Total investments measured at fair value	<u>1,732,835</u>	<u>1,732,835</u>	<u>-</u>	
Investments measured at cost				
Certificates of deposit	2,425,281	2,175,281	250,000	
Total investments	<u>\$ 4,158,116</u>	<u>\$ 3,908,116</u>	<u>\$ 250,000</u>	

Interest Rate Risk – One of the indicators of interest rate risk is the duration of the investment; the shorter the duration, the lesser the risk. The table above shows the maturities of the Clerk’s investments. The Clerk’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Under Louisiana R.S. 33:2955, as amended, the Clerk may invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities and other governmental debt obligations with limited exceptions. The Clerk’s investment policy does not further limit its investment choices.

Concentration of Credit Risk – The Clerk’s investment policy does not limit the amount the Clerk may invest in any one issuer. The Clerk does not have any concentration of credit risk as of June 30, 2023.

Custodial credit risk-investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the Clerk will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Clerk does not have an investment policy for custodial credit risk; however, state law described in a preceding paragraph is designed to limit this risk.

The \$1,732,835 in the external investment pool is invested in LAMP. 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 Louisiana R.S. 33.2955.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (continued)

Investments (continued)

LAMP is a government investment pool. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & 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 requirements.
- 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 disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 18 days as of June 30, 2022.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. 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 which approximates net asset value (NAV).

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

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street Suite 2220, New Orleans, LA 70130.

3. **ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2023, includes charges for services revenue of \$22,177 less an allowance for uncollectible accounts of \$2,751.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

4. CAPITAL ASSETS

A summary of the DeSoto Parish Clerk of Court's capital assets as of June 30, 2022, is as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets				
Furniture, fixtures & equipment	\$ 210,983	\$ 88,793	\$ -	\$ 299,776
Less accumulated depreciation	(146,471)	(22,772)	-	(169,243)
Total capital assets, net	<u>\$ 64,512</u>	<u>\$ 66,021</u>	<u>\$ -</u>	<u>\$ 130,533</u>

Depreciation expense of \$22,772 was charged to general government activities.

5. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description – The DeSoto Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The DeSoto Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pension – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*.

Benefits Provided – Medical benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 12 years of service; or, attainment of age 60 and 12 years of service for employees hired on and after January 1, 2011. Employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Life insurance coverage is provided to retirees and 50% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

Retiree Premiums – Retiree premiums provided from the Louisiana Clerks' of Courts Association were used to determine retiree cost projections. The "value of benefits" has been assumed to be the portion of the premium after the retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The active employees and pre-Medicare retirees are assigned the same rate, a blended rate. Thus, since GASB 74/75 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retired members before Medicare eligibility to be 130% of the blended rates. The unblended rates provided are those for Medicare eligible retirees.

Participation - Employees who receive active benefits are assumed to also receive retiree benefits. We also assume that the same percentage of employees with spouse coverage would also have spouse coverage as retirees.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

5. **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (continued)

Contribution rates - Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. Retirees contribute to the cost of the Medical and life plans offered. The plan provisions and contribution rates are contained in the official plan documents.

Employees covered by benefit terms – As of the measurement date June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	19
	24

Total OPEB Liability

The Clerk’s total OPEB liability is \$650,229 as of the measurement date June 30, 2023, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0% annually
Salary increases	3.0%, including inflation
Prior Discount rate	3.54% annually
Discount rate	3.65% annually
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index on the applicable measurement dates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 615,018
Changes for the year:	
Service cost	15,822
Interest	22,052
Differences between expected and actual experience	15,108
Changes in assumptions	(10,666)
Benefit payments and net transfers	(7,105)
Net changes	35,211
Balance at June 30, 2023	\$ 650,229

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

5. **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB liability	\$ 766,036	\$ 650,229	\$ 558,458

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 601,435	\$ 650,229	\$ 712,712

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

For the year ended June 30, 2023, the Clerk recognized OPEB expense of \$28,071. At June 30, 2023, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,753	\$ (150,016)
Changes in assumptions	115,076	(104,604)
Total	\$ 194,829	\$ (254,620)

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

Years ending June 30:	
2024	\$ (9,803)
2025	(9,803)
2026	(9,803)
2027	(9,803)
2028	(9,803)
Thereafter	(10,776)
	\$ (59,791)

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

6. PENSION PLAN

Substantially all employees of the Desoto Parish Clerk of Court are members of the Louisiana Clerks' of Court Retirement and Relief Fund (Fund), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The Louisiana Clerks' of Court Retirement and Relief Fund (the Fund) was established and provided for by R.S. 111:1501 of the Louisiana Revised Statutes (LRS). In accordance with this law, the Fund is administered by a board of trustees made up of ten members composed of the president, first vice-president, treasurer, second vice-president, and immediate past president of the Clerks' Association, one retired clerk elected by the Clerks' Association, two additional members elected by the Clerks' Association, the chairman of the Retirement Committee of the Louisiana House of Representatives, and the chairman of the Finance Committee of the Senate, or their designees.

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

Funding Policy - The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:105, 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 Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk is required to contribute at an actuarially determined rate. The employer's and employee's rate for the year ended June 30, 2023 was 22.25 and 8.25 percent, respectively of annual covered payroll. The Clerk's contributions to the Plan, for the years ending June 30, 2023, 2022, and 2021, were \$254,544, \$216,368, and \$191,126, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the Clerk reported a liability of \$2,282,107 for its proportionate share of the net pension liability. The net pension liability was measured as of the measurement period, June 30, 2022 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 the Clerk's share of contributions to the pension plan relative to the contributions of all participating employers, during the measurement period. At June 30, 2022, the Clerk's proportion was 0.9416%, which was an increase of 0.0378% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Clerk recognized pension expense of \$443,252 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

6. **PENSION PLAN** (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued) – At June 30, 2023, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,638	\$ (20,744)
Differences in assumptions	167,468	-
Net difference between projected and actual earnings on pension plan investments	488,246	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions:	119,891	(486)
Employer contributions subsequent to the measurement date	254,544	-
Total	\$ 1,051,787	\$ (21,230)

The Clerk reported a total of \$254,544, as deferred outflow of resources, related to pension contributions made subsequent to the measurement period of June 30, 2022 which will be recognized as a reduction in net pension liability in the year ended June 30, 2024.

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

Years Ending June 30	
2024	\$ 265,590
2025	199,715
2026	62,035
2027	248,673
	\$ 776,013

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

6. **PENSION PLAN** (continued)

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement period ending June 30, 2022 is as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	6.55%, net of investment expense
Projected salary increases	1-5 years of service – 6.2% 5 years or more – 5%
Inflation Rate	2.40% per annum
Mortality	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using appropriate MP-2019 improvement scale.
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.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 and ending June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.02% as of June 30, 2022. 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, 2022, are summarized in the following table:

Asset class	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income:		
Domestic bonds	25.00%	2.50%
International bonds	38.00%	3.50%
Domestic equity	22.00%	7.50%
International equity	15.00%	8.50%
Real estate	15.00%	4.50%
Total	<u>100.00%</u>	

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

6. PENSION PLAN (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.55%. 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 the Board of Trustees and the Public Retirement System’s Actuary Committee (PRSAC) taking into consideration the recommendation of the Fund’s actuary. Based on those assumptions, Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the Clerk’s proportionate share of the net pension liability (NPL) using the discount rate of 6.55% as well as what the Clerk’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Fund:

	1.0% Decrease (5.55%)	Current Discount Rate (6.55%)	1.0% Increase (7.55%)
DeSoto Parish Clerk of Court share of NPL	\$ 3,257,398	\$ 2,282,107	\$ 1,460,415

7. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

8. DEFINED CONTRIBUTION PLAN

Eligible employees may elect to participate in the State of Louisiana Deferred Compensation Plan. The plan was established pursuant to IRC Section 457 and Louisiana R.S. 42:1301-1308. The Plan provides state, parish, and municipal employees with the opportunity to invest money in a before-tax basis, using payroll deduction. Participants defer federal or state income tax on their contributions. In addition, interest or earnings on the participant’s account accumulate tax-deferred.

The participants may choose the amount to contribute with the maximums defined by the Internal Revenue Code and the investment options(s). The Clerk agreed to match each participant’s contributions up to a maximum of 7% of the employee’s annual salary. During the year ended June 30, 2023 the Clerk's matching funds totaled \$39,970.

9. FACILITIES

The Clerk’s office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the DeSoto Parish Police Jury and are not included in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE
COMBINED GENERAL FUND AND ADVANCE DEPOSIT FUND
BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses & permits				
Marriage licenses	\$ 4,300	\$ 4,000	\$ 4,086	\$ 86
Charges for services				
Court costs, fees and charges	1,040,000	1,050,000	1,067,883	17,883
Recording fees	845,000	900,000	945,564	45,564
Copy fees	22,000	17,000	16,577	(423)
Intergovernmental				
Supplemental compensation fund	24,600	25,700	21,400	(4,300)
Miscellaneous				
Interest	8,500	85,000	111,362	26,362
Other	45,000	60,000	81,697	21,697
Total Revenues	1,989,400	2,141,700	2,248,569	106,869
<u>EXPENDITURES</u>				
Current:				
Personnel services and benefits	1,710,000	2,000,000	1,942,103	57,897
Operating	640,000	800,000	846,414	(46,414)
Capital outlay	20,000	50,000	88,793	(38,793)
Total Expenditures	2,370,000	2,850,000	2,877,310	(27,310)
Excess of revenues (under) over expenditures	(380,600)	(708,300)	(628,741)	79,559
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in Fund Balance	(380,600)	(708,300)	(628,741)	79,559
Beginning of year	5,292,980	5,292,980	5,292,980	-
End of year	\$ 4,912,380	\$ 4,584,680	\$ 4,664,239	\$ 79,559

Note to Schedule:

The General Fund budget is prepared on a budgetary basis which considers court costs, fees and charges and respective expenditures recognized in the Advance Deposit Special Revenue Fund to be part of the General Fund budgetary controls. A reconciliation of the GAAP basis of accounting to the budgetary basis is as follows:

	<u>Court costs, fees and charges</u>	<u>Operating Expenditures</u>	<u>Operating Transfers In (Out)</u>
GAAP basis	\$ 654,640	\$ 835,081	\$ 401,910
Amount recognized in Advance Deposit Fund	413,243	11,333	(401,910)
Budgetary basis	\$ 1,067,883	\$ 846,414	\$ -

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF CHANGES IN
OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

Financial statement reporting date	Measurement date	Service cost	Interest	Differences between expected and actual experience	Changes of assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered-employee payroll	Total OPEB liability as a percentage of covered-employee payroll
6/30/2023	6/30/2023	\$ 15,822	\$22,052	\$ 15,108	\$ (10,666)	\$ (7,105)	\$ 35,211	\$ 615,018	\$ 650,229	\$ 956,529	67.98%
6/30/2022	6/30/2022	\$ 26,263	\$14,462	\$ 15,716	\$ (91,244)	\$ (6,604)	\$ (41,407)	\$ 656,425	\$ 615,018	\$ 928,669	66.23%
6/30/2021	6/30/2021	\$ 25,497	\$13,543	\$ 17,561	\$ 5,593	\$ (5,827)	\$ 56,367	\$ 600,058	\$ 656,425	\$ 844,384	77.74%
6/30/2020	6/30/2020	\$ 36,359	\$23,576	\$(225,024)	\$ 118,611	\$ (8,876)	\$ (55,354)	\$ 655,412	\$ 600,058	\$ 819,790	73.20%
6/30/2019	6/30/2019	\$ 28,646	\$21,808	\$ 24,198	\$ 42,407	\$ (10,832)	\$ 106,227	\$ 549,185	\$ 655,412	\$ 829,731	78.99%
6/30/2018	6/30/2018	\$ 27,812	\$20,749	\$ (28,862)	\$ 31,299	\$ (10,139)	\$ 40,859	\$ 508,326	\$ 549,185	\$ 765,185	71.77%

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

There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2023 (*)

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.9416%	\$ 2,282,107	\$ 965,106	236.46%	74.09%
2022	0.9038%	1,202,264	912,216	131.80%	85.40%
2021	0.8702%	2,093,685	862,891	242.64%	72.09%
2020	0.8430%	1,530,961	817,011	187.39%	77.93%
2019	0.7777%	1,293,617	723,951	178.69%	79.07%
2018	0.7824%	1,183,683	705,813	167.70%	79.69%
2017	0.7398%	1,368,716	675,345	202.67%	74.17%
2016	0.6739%	1,010,909	608,568	166.11%	78.13%
2015	0.6588%	888,664	647,865	137.17%	79.37%

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

(*) The amounts presented have a measurement date of June 30th of the previous year-end.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS
LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2023

Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³	Contributions as a % of Covered Payroll
2023	\$ 254,544	\$ 254,544	-	\$ 1,028,862	24.74%
2022	216,368	216,368	-	965,106	22.42%
2021	191,126	191,126	-	912,216	20.95%
2020	165,968	165,968	-	862,891	19.23%
2019	155,316	155,316	-	817,011	19.01%
2018	137,961	137,961	-	723,951	19.06%
2017	129,554	129,554	-	705,813	18.36%
2016	128,315	128,315	-	675,345	19.00%
2015	115,628	115,628	-	608,568	19.00%

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

For reference only:

¹ Employer contribution rate multiplied by employer's covered employee payroll

² Actual employer contributions remitted to the Clerks' of Court Retirement and Relief Fund

³ Employer's covered payroll amount for the fiscal year ended June 30

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO OTHER POST-EMPLOYMENT BENEFIT PLAN

Changes in benefit terms -

There were no changes of benefit terms for the years presented.

Changes in assumptions -

The fluctuations in the changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of total other post-employment obligation.

Year end	Measurement Date	Rate	Change
6/30/2023	6/30/2023	3.650%	0.110%
6/30/2022	6/30/2022	3.540%	1.380%
6/30/2021	6/30/2021	2.160%	-0.050%
6/30/2020	6/30/2020	2.210%	-1.290%
6/30/2019	6/30/2019	3.500%	-0.070%
6/30/2018	6/30/2018	3.570%	

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO LOUISIANA CLERKS' PENSION AND RELIEF FUND

Changes in benefit terms -

There were no changes of benefit terms for the years presented.

Changes in assumptions -

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:

Year End (*)	Rate	Change
6/30/2023	6.550%	0.000%
6/30/2022	6.550%	-0.200%
6/30/2021	6.750%	0.000%
6/30/2020	6.750%	0.000%
6/30/2019	6.750%	-0.250%
6/30/2018	7.000%	0.000%
6/30/2017	7.000%	0.000%
6/30/2016	7.000%	-0.250%
6/30/2015	7.250%	

Salary Increases:

Year End (*)	Rate	Change
6/30/2023	5.000% - 6.200%	0.000%
6/30/2022	5.000% - 6.200%	0.000%
6/30/2021	5.000% - 6.200%	0.000% - 1.200%
6/30/2020	5.000%	0.000%
6/30/2019	5.000%	0.000%
6/30/2018	5.000%	0.000%
6/30/2017	5.000%	0.000%
6/30/2016	5.000%	-0.750%
6/30/2015	5.750%	

Inflation Rate:

Year End (*)	Rate	Change
6/30/2023	2.400%	0.000%
6/30/2022	2.400%	-0.100%
6/30/2021	2.500%	0.000%
6/30/2020	2.500%	0.000%
6/30/2019	2.500%	0.000%
6/30/2018	2.500%	0.000%
6/30/2017	2.500%	0.000%
6/30/2016	2.500%	-0.250%
6/30/2015	2.750%	

Investment rate of return:

Year End (*)	Rate	Change
6/30/2023	6.550%	0.000%
6/30/2022	6.550%	0.370%
6/30/2021	6.180%	-0.200%
6/30/2020	6.380%	-0.720%
6/30/2019	7.100%	-0.500%
6/30/2018	7.600%	0.400%
6/30/2017	7.200%	-0.700%
6/30/2016	7.900%	0.000%
6/30/2015	7.900%	

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

OTHER SUPPLEMENTARY INFORMATION

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE CLERK OF COURT
FOR THE YEAR ENDED JUNE 30, 2023

Clerk of Court, Jeremy Evans

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 149,550
Vote custodian	2,100
Benefits - insurance	13,944
Benefits - retirement	42,670
Car allowance	19,943
Travel	<u>3,046</u>
	<u>\$ 231,253</u>

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected (i.e. cash on hand)	7,363,884	\$ 8,420,910
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	1,361,691	1,097,006
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	7,613	19,987
Other (<i>do not include collections that fit into more specific categories above</i>)	-	-
Subtotal Collections	1,369,304	1,116,993

(Continued)

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
Battered Women's Shelter-Civil Fees	430	510
Commissioner of Insurance-Civil Fees	175	145
Court of Appeals-Civil Fees	656	1,972
Court Reporter-Civil Fees	149	874
Judges Compensation-Civil Fees	9,594	10,941
Judicial Expense Fund-Civil Fees	5,696	6,594
La Supreme Court College Fund-Civil Fees	194	219
Secretary of State-Civil Fees	1,350	1,450
Sheriff of Acadia Parish-Civil Fees	39	-
Sheriff of Avoyelles Parish-Civil Fees	37	107
Sheriff of Beauregard Parish-Civil Fees	54	37
Sheriff of Bossier Parish-Civil Fees	1,682	2,354
Sheriff of Caddo Parish-Civil Fees	7,393	7,489
Sheriff of Calcasieu Parish-Civil Fees	99	63
Sheriff of Claiborne Parish-Civil Fees	-	36
Sheriff of Desoto Parish-Civil Fees	22,826	24,700
Sheriff of East Baton Rouge Parish-Civil Fees	4,632	3,132
Sheriff of Iberville Parish-Civil Fees	-	34
Sheriff of Jefferson Parish-Civil Fees	30	212
Sheriff of Lafayette Parish-Civil Fees	202	315
Sheriff of Lincoln Parish-Civil Fees	63	-
Sheriff of Livingston Parish-Civil Fees	43	-
Sheriff of Natchitoches Parish-Civil Fees	337	71
Sheriff of Orleans Parish-Civil Fees	635	600
Sheriff of Ouachita Parish-Civil Fees	36	43
Sheriff of Red River Parish-Civil Fees	36	86
Sheriff of Sabine Parish-Civil Fees	422	699
Sheriff of St. Charles Parish-Civil Fees	79	-
Sheriff of St. Landry Parish-Civil Fees	-	118
Sheriff of St. Martin Parish-Civil Fees	46	46
Sheriff of St. Tammany Parish-Civil Fees	127	-
Sheriff of St. Tensas Parish-Civil Fees	74	-
Sheriff of Vernon Parish-Civil Fees	65	159
Sheriff of Webster Parish-Civil Fees	95	65

(Continued)

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)		
Civil Fees	176,544	246,054
Service/Collection Fees	87	96
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	44,880	137,975
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	33,223	267,453
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	312,278	715,154
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 8,420,910	\$ 8,822,749
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

(Concluded)

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2023

First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
--	--

Receipts From: *(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)*

<i>Desoto Parish District Attorney-Criminal Fines - Other</i>	\$ 1,200	\$ 1,000
<i>Desoto Parish Sheriff-Bond Fees</i>	440	506
<i>Desoto Parish Sheriff-Criminal Court Cost/Fees</i>	22,251	45,859
Subtotal Receipts	\$ 23,891	\$ 47,365

Ending Balance of Amounts Assessed but Not Received *(only applies to those agencies that assess on behalf of themselves, such as courts)*

-	-
---	---

OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

DeSoto Parish Clerk of Court
Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the DeSoto Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated May 22, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as item 2023-002, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and recommendations as items 2023-001 and 2023-003.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Desoto Parish Clerk of Court's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Clerk's response to the findings identified in our audit and described in the accompanying schedule of findings and recommendations. The Clerk's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
May 22, 2024

EISNERAMPER
LLP



**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2023**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the DeSoto Parish Clerk of Court as of and for the year June 30, 2023.
2. One significant deficiencies and no material weaknesses in internal controls were reported relating to the audit of the financial statements.
3. Two instances of noncompliance material to the financial statements of the DeSoto Parish Clerk of Court were reported.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001: Audit Law

Criteria: Louisiana Revised Statute 24:513 requires that political subdivisions of the State submit completed audit reports to the Legislative Auditor no later than six months after the fiscal year. Accordingly, the submission due date was December 31, 2023. In accordance with the provisions for non-emergency extensions promulgated by Louisiana Revised Statute 39:721, the Clerk of Court's Office requested a 90-day extension to complete and submit the audit to the Legislative Auditor. That extension was approved. An additional 90-day extension was requested. Accordingly, the extended due date, if approved is June 30, 2024.

Condition: The audit was submitted after the statutory deadline, but before the requested extended deadline.

Cause: The Clerk of Court's Office migrated its case management data to a new vendor and as a result, delays were incurred in obtaining case data schedules and reports.

Effect: There has been minimal if any impact to intergovernmental funding resulting from the delayed completion.

Recommendation: We recommend that the Clerk of Court's Office in conjunction with the audit firm take steps to ensure that the audit is not delayed.

View of Responsible

Official: *We concur with the finding. The Clerk of Court's Office in conjunction with the audit firm, will take steps to ensure that the audit is completed timely.*

2023-002: Case Management Reporting and Financial Close

Criteria: The system of accounting should include procedures and steps necessary to close the accounting period and prepare the documentation necessary to support the financial statements. This includes system reports, schedules, external statements, or reconciliations that provide support for the balances reported in the financial statements.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2023**

2023-002: Case Management Reporting and Financial Close (continued)

Condition: Case management applications provided by third party processors are utilized by Clerks of Court to account for civil and recording activities. Daily, monthly and annual subsidiary ledgers and balancing reports are generated from these applications to reconcile to physical balances such as cash in cashier drawers or to general ledger balances for revenues and receivables. Given the timing of the migration, accurate subsidiary ledgers and balancing reports were not generated timely.

Cause: The Clerk of Court's Office migrated its case management data to a new vendor as of June 30, 2023. It appears that because of the timing of the migration, some historical data initially was not assimilated properly into the new case management application.

Effect: Accounts receivable and revenues could not be validated timely as part of the financial close procedures, causing delays in the year end audit.

Recommendation: We recommend that the Clerk of Court's Office research the capabilities of the new case management application and determine the most effective way to enhance the financial close process with accurate and timely balancing reports and subsidiary ledgers.

*View of Responsible
Official:*

We concur with the finding. The Clerk of Court's Office will research the capabilities of the new case management application and determine the most effective way to enhance the financial close process with accurate and timely balancing reports and subsidiary ledgers.

2023-003: Pledged Collateral for Deposits

Criteria: In accordance with Louisiana Revised Statute 39:1218, deposits over the Federal Deposit Insurance Corporation (FDIC) limit must be secured by securities serving as collateral.

Condition: The Clerk's deposits at the financial institution exceeded the FDIC coverage limit combined with pledged securities and were under collateralized by approximately \$263,000. The Clerk does not have a process in place to monitor adherence to the state law requirement.

Cause: The collateral required to be maintained by the fiscal agent was not monitored timely.

Effect: The Clerk's deposits were uncollateralized.

Recommendation: Management should obtain written evidence of the local bank's compliance with deposit collateral requirements on a monthly basis.

*View of Responsible
Official:*

The Clerk's Office will track values of pledged collateral and compare to bank balances subject to custodial credit risk on a monthly basis.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023**

FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

DESOTO PARISH CLERK OF COURT

REPORT ON STATEWIDE

AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL

AREAS

FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures Performed and Associated Findings	2 - 17
Schedule B: Management's Response and Corrective Action Plan	18

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the DeSoto Parish Clerk of Court and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The DeSoto Parish Clerk of Court's (Clerk) management is responsible for those C/C areas identified in the SAUPs.

The Clerk has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Clerk to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Clerk for the fiscal period July 1, 2022 through June 30, 2023. 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.

We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



EISNERAMPER LLP
Baton Rouge, Louisiana
May 22, 2024

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception, or finding, ensues.

1) Written Policies and Procedures

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

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

- ii. ***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.

The Clerk has written policies for Purchasing; however, the policy does not specifically address attributes (1) – How purchases are initiated, (2) – How vendors are added to the vendor list, and (5) – Documentation required to be maintained for all bids and price quotes. For attributes (3) and (4), no exceptions were noted.

- iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions noted.

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

No exceptions noted.

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

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

No exceptions noted.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

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

The Clerk of Court has written policies for travel and expense reimbursement; however, the policies do not contain attribute (3) documentation requirements. For attributes (1), (2) and (4), no exceptions were noted.

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

The Clerk of Court has written policies for Credit Cards; however, the policies do not contain attribute (2) – Allowable business uses, (3) – Documentation requirements, (4) – Required approvers of statements, (5) – Monitoring card usage. For attribute (1), no exceptions were noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity’s ethics policy.

No exceptions noted.

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

Not applicable as the Clerk of Court does not currently and has not historically had debt. No exceptions noted.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Clerk of Court does not have written policies for disaster recovery/business continuity including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

- xii. ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- The Clerk of Court has written policies for sexual harassment; however, the policies do not contain attributes (2) annual employee training, and (3) annual reporting. For attribute (1), no exceptions were noted.*

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- Procedure is not applicable to entities managed by a single elected official. The Clerk is a single elected official who manages the Clerk of Court. As such, this procedure is not applicable to the Clerk of Court.*
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
- Procedure is not applicable to entities managed by a single elected official. The Clerk is a single elected official who manages the Clerk of Court. As such, this procedure is not applicable to the Clerk of Court.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- Procedure is not applicable to entities managed by a single elected official. The Clerk is a single elected official who manages the Clerk of Court. As such, this procedure is not applicable to the Clerk of Court.*
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
- Procedure is not applicable to entities managed by a single elected official. The Clerk is a single elected official who manages the Clerk of Court. As such, this procedure is not applicable to the Clerk of Court.*

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

3) Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 77 bank accounts. Management identified the Clerk's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and requested the bank reconciliations for the month ending June 30, 2023. For the main operating account, 1 bank reconciliation was obtained and subjected to the below procedures. The other 4 accounts selected for testing related to the Registry Fund. These accounts had no activity in them and therefore no reconciliation was prepared. The bank statements are reviewed and approved by a member of management that does not handle cash, post ledgers, or issue checks. This is not considered to be an exception.

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

For one (1) of the five (5) accounts, the bank reconciliation was prepared more than 2 months after the statement's closing date. This is considered an exception.

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

No exceptions noted.

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

No exceptions noted.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of two (2) deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the two (2) deposit sites and performed the procedures below.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of five (5) collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Clerk's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

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

Of the six (6) employees selected for our procedures, the employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation to the deposit. This is considered to be an exception.

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

No exceptions noted.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

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

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

We noted that the applicable employees were not properly bonded.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations in procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two (2) deposit dates for each of the five (5) bank accounts selected in procedure #3A. Of the five (5) bank accounts selected, three (3) bank accounts did not have deposits during the month randomly selected for the procedure #3A, or the entire year. We obtained support documentation for deposits related to the remaining two (2) bank accounts and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were noted for the General Fund. The Clerk of Court does not maintain sequentially pre-numbered receipts for collections related to the Advance Deposit or Registry Funds.

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

No exceptions noted.

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

No exceptions noted.

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

**DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

No exceptions noted.

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

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

The listing of locations that process payments for the fiscal period was provided, which included a total of 2 locations. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected both locations and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Clerk's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

The Clerk of Court does not initiate and/or approve purchase orders/purchase requisitions for the General fund. This is considered an exception. Purchase orders/purchase requisitions are not utilized for Fiduciary funds as disbursements are initiated and approved through legal documentation (i.e. judgements). This is not considered an exception.

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

No exceptions noted.

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

Personnel responsible for processing payments is not properly prohibited from adding/modifying vendor files, and no other personnel periodically review changes to vendor files. This is considered an exception.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

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

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

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

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From the listings provided, we randomly selected disbursements from each location (10 total) and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

For all 10 disbursements selected for testing, the personnel responsible for processing payments is not properly prohibited from adding/modifying vendor files, and no other personnel periodically review changes to vendor files. This is considered an exception. For attributes 5B ii, iv, and v, no exceptions were noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

From the listing provided, we selected all four (4) credit cards used in the fiscal period. We randomly selected one (1) monthly statement for each of the four (4) cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exceptions noted.

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

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We randomly selected ten (10) transactions for the four (4) credit cards selected in procedure #6B and performed the specified procedures. No exceptions noted.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

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

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

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five (5) reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

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

No exceptions noted.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures," procedure #1A(vii).

No exceptions noted.

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

No exceptions noted.

8) Contracts

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

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

From the listing provided, we randomly selected five (5) contracts and performed the procedures below.

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

No exceptions noted.

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

Of the five (5) vendors selected, there was no written contract for one (1) vendor providing advertising services. No other exceptions were noted.

- iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

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

Of the five (5) vendors selected, there was no written contract for one (1) vendor providing advertising services. As such, we were unable to agree invoices for that vendor to written contract terms. No other exceptions were noted.

9) Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five (5) employees/officials and performed the specified procedures. No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

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

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

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

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

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

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the one (1) employee/official and performed the specified procedures. No exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

10) Ethics

A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A above, obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions noted.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

No exceptions noted.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Per inquiry and/or observation, the Clerk of Court has not properly appointed an ethics designee as required by R.S. 42:1170. This is considered an exception.

11) Debt Service

A. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable as the Clerk of Court did not issue any bonds/notes in the fiscal period.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable as the Clerk of Court does not have any bonds/notes outstanding at the end of the fiscal period.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

This procedure deemed not applicable as the Clerk had no known allegations during the fiscal period. No exceptions noted.

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

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from the “Payroll and Personnel” procedure #9A above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

The Clerk of Court’s policy and complaint procedure was properly posted on its website. No exceptions noted.

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report included the applicable requirements of R.S. 42:344:

The Clerk of Court did not produce an annual sexual harassment report dated on or before February 1. Therefore, whether the report included the applicable requirements of R.S. 42:344 could not be observed/tested. This is considered an exception.

- i. Number and percentage of public servants in the agency who have completed the training requirements.

Report not available; required element unable to be observed. Exception noted.

- ii. Number of sexual harassment complaints received by the agency.

Report not available; required element unable to be observed. Exception noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Report not available; required element unable to be observed. Exception noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Report not available; required element unable to be observed. Exception noted.

DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

- v. Amount of time it took to resolve each complaint.

Report not available; required element unable to be observed. Exception noted.

**DESOTO PARISH CLERK OF COURT
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2023**

Schedule B

Corrective Action

Management has reviewed and will address the exceptions noted above.

DeSoto Parish Clerk of Court

REPORT TO MANAGEMENT

JUNE 30, 2023

Jeremy Evans, Clerk of Court
DeSoto Parish Clerk of Court
Mansfield, Louisiana

We have audited the financial statements of the DeSoto Parish Clerk of Court (the Clerk), for the year ended June 30, 2023 and have issued our report thereon. As part of our audit, we evaluated the internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we became aware of matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. The Clerk's response to the matters identified below were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it. This letter does not affect our reports dated May 22, 2024, on the financial statements, compliance and internal controls of the Clerk.

Current Year

MLC 2023-001 Policies and Training

Criteria:

Policies should be adopted and assessed annually to address risk, internal controls and processes, and compliance with laws and regulations.

Condition:

Pertaining to the year end June 30, 2023 we observed the following:

- Policies pertaining to internal controls and processes did not have all the elements identified in the Agreed-upon procedures report as listed below:
 - Purchasing
 - Credit Cards
 - Travel and Expense Reimbursement
 - Sexual Harassment
- Policies pertaining to Information Technology, Disaster Recovery/Business Continuity and Cybersecurity (collectively "IT") have not been adopted.
- Policy over vendor contracts provides the Clerk's office broad discretion as to the circumstances in which a written contract is needed.

Recommendation:

We recommend that Clerk assess risks associated with each transaction class and review the policies annually to determine if the processes, job duties, authorities granted, and segregation of incompatible duties are commensurate with the associated risk. We emphasize the need to adopt a policy addressing Information Technology, Disaster Recovery/Business Continuity and Cybersecurity. We further emphasize the need to update the policies pertaining to Ethics and Sexual Harassment to include all the required elements including the requirement for training in those areas. The policy for vendor contracts should be enhanced to include price levels that trigger a written contract, defined deliverables and consideration of necessary legal requirements.

Management's Response:

Management concurs with this finding. Management will begin reviewing and updating policies annually. Management anticipates reviewing and updating policies by June 30, 2024.



Prior Year

MLC 2022-001 Advance Deposit Reconciliation

Criteria:

The Advanced Deposit Fund bank account is used as a depository for advance deposits in suits filed by litigants. Control procedures should be in place that reconcile escrowed balances by case number in the case management software to the respective cash and investment balances available for settlement of these cases.

Condition:

The total balance of the escrowed balances by case number are not reconciled to the respective cash and investment balances available for settlement of these cases.

Recommendation:

We recommend that the Clerk implement a procedure of reconciling the total balance of escrowed balances by case number to the respective cash and investment balances available for settlement of these cases.

Status:

Similar finding reported in the Schedule of Findings and Recommendations as item 2023-002.

MLC 2022-002 Policies and Training

Criteria:

Policies should be adopted and assessed annually to address risk, internal controls and processes, and compliance with laws and regulations.

Condition:

Based on the results of the Statewide Agreed-upon Procedures report pertaining to the year end June 30, 2023 the following was reported:

- Policies pertaining to internal controls and processes did not have all the elements identified in the Agreed-upon procedures report as listed below:
 - Purchasing
 - Receipts/Collections
 - Credit Cards
 - Travel and Expense Reimbursement
- Policies pertaining to Information Technology, Disaster Recovery/Business Continuity and Cybersecurity (collectively "IT") have not been adopted.
- Policies pertaining to laws and regulations as well as required training did not have all the elements identified in the Agreed-upon procedures report as listed below:
 - Ethics
 - Sexual Harassment



Recommendation:

We recommend that Clerk assess risks associated with each transaction class and review the policies annually to determine if the processes, job duties, authorities granted, and segregation of incompatible duties are commensurate with the associated risk. We emphasize the need to adopt a policy addressing Information Technology, Disaster Recovery/Business Continuity and Cybersecurity. We further emphasize the need to update the policies pertaining to Ethics and Sexual Harassment to include all the required elements including the requirement for training in those areas.

Status:

Repeat. Included in MLC 2023-001.

We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the Clerk's staff for their patience and cooperation with us during the performance of the audit.

This report is intended solely for the information and use of the Desoto Parish Clerk of Court and its management and is not intended to be and should not be used by anyone other than these specified parties.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
May 22, 2024

EISNERAMPER
LLP

