

TERREBONNE PARISH CLERK OF COURT
Houma, Louisiana

Annual Financial Report
For the Year Ended June 30, 2022

TERREBONNE PARISH CLERK OF COURT
Annual Financial Report
For the Year Ended June 30, 2022

TABLE OF CONTENTS

	Page
MANAGEMENT'S DISCUSSION & ANALYSIS	1
<i>Financial Section:</i>	
INDEPENDENT AUDITOR'S REPORT	7
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	10
Statement of Activities	11
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Fund	12
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund – General Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance – Governmental Fund to the Statement of Activities	14
Combining Statement of Fiduciary Net Position	15
<i>Notes to the Financial Statements</i>	16
<i>Required Supplemental Information:</i>	
Budgetary Comparison Schedule- General Fund	34
Schedule of the Proportionate Share of Net Pension Liability And Related Ratios	35
Schedule of the Required Contributions	36
Schedule of Changes in the Total OPEB Liability and Related Ratios	37
<i>Other Supplemental Information:</i>	
Schedule of Changes in Fiduciary Liabilities	38
Schedule of Compensation, Benefits and Other Payments to Agency Head Justice System Funding Schedules:	39
Collecting/Disbursing Entity	40
Receiving Entity	43
<i>Reports Required by Government Auditing Standards:</i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44

TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Our discussion and analysis of the Terrebonne Parish Clerk of Court's (the Clerk) financial performance provides an overview of the financial activities as of and for the fiscal year end. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Position and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Position) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on the Clerk of Court as a whole and about its activities. These statements include all assets and liabilities 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.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Clerk uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending.

**TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

The Clerk is the trustee, or fiduciary, for funds reserved by the Court and Advanced Costs collected for court expenses. All of these fiduciary activities are reported in a separate Combined Statement of Fiduciary Net Position. We exclude these activities from the other financial statements because the Clerk cannot use these assets to finance its operations. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net position of our governmental activities increased by 15%.
- During the year, the Clerk had expenses of \$3.4 million that was \$1.3 million less than the \$4.6 million generated in fees and other revenues for governmental activities. The increase in net position was \$1.3 million.
- The governmental funds reported total ending fund balance of \$5.5 million of which 99% was classified as unassigned. This compares to the prior year ending fund balance of \$4.9 million showing an increase of \$597,439 or about 12%.

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

TERREBONNE PARISH CLERK OF COURT AS A WHOLE

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

**TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

	FY 2021	FY 2022	Increase (Decrease)
Current and Other Assets	\$ 4,941,667	\$ 5,539,321	\$ 597,654
Capital Assets	8,293	18,262	9,969
Total Assets	4,949,960	5,557,583	607,623
Deferred Outflows	2,790,362	1,767,739	(1,022,623)
Current Liabilities	54	269	215
Non-current Liabilities	12,483,742	8,684,217	(3,799,525)
Total Liabilities	12,483,796	8,684,486	(3,799,310)
Deferred Inflows	3,339,306	5,454,461	2,115,155
Invested in Capital Assets	8,293	18,262	9,969
Unrestricted	(8,091,073)	(6,831,618)	1,259,455
Total Net Position	<u><u>\$(8,082,780)</u></u>	<u><u>\$(6,813,356)</u></u>	<u><u>\$ 1,269,424</u></u>

The net position of our governmental activities increased by approximately 15%. Current assets increased by almost \$600,000 due to the increase in fees collected over expenses. Capital assets increased due to purchased assets. Deferred outflows and inflows of assets varied from the prior year as part of the changes noted from the pension plan components from the reports provided. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the changes in net position of the governmental-type activities.

	FY 2021	FY 2022	Increase (Decrease)
Total program expenses	\$(3,928,088)	\$(3,372,603)	\$ 555,485
Total program revenues	4,774,670	4,642,027	(132,643)
Net program income	846,582	1,269,424	422,842
General revenues	-	-	-
Change in Net Position	846,582	1,269,424	422,842
Net Position:			
Beginning of the year	(8,929,362)	(8,082,780)	846,582
End of the year	<u><u>\$(8,082,780)</u></u>	<u><u>\$(6,813,356)</u></u>	<u><u>\$ 1,269,424</u></u>

Most of the revenues recognized in governmental activities were in program revenues an increase of over 14% from last year. The total cost of all programs and services was \$3,372,603— a decrease of 3% from the prior year.

**TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

NON-CURRENT LIABILITIES

Other Post Employment Benefit Liability (OPEB)

As of June 30, 2022, the Clerk reported a liability of \$6,177,159 for other post-employment benefits. The liability was measured as of June 30, 2022, determined by an actuarial valuation as of that date. See note 6 to the financial statements for additional information about Pension Plan Liability.

Pension Plan Liability

As of June 30, 2022, the Clerk reported a liability of \$2,506,789 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the proportion of the plan was 1.884466%. See note 5 to the financial statements for additional information about Pension Plan Liability.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS

As we noted earlier, the Clerk uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Clerk is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

As the end of the year, its governmental fund reported a fund balance of \$5,539,052. This reflects an increase of \$597,439 or approximately 12% from last year. This increase is primarily the result of an increase in recording fees and fees in criminal cases along with a decrease in total expenditures from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the fiscal year. Total budget variances for expenditures and revenues were in compliance with the Local Budget Law.

CAPITAL ASSETS

A summary follows:

	6/30/2021	6/30/2022
Furniture & Fixtures	\$ 170,623	\$170,623
Office Equipment	155,078	25,664
	<u>325,701</u>	<u>196,287</u>
Accumulated Depreciation	(317,408)	(173,025)
	<u>\$ 8,293</u>	<u>\$ 18,262</u>

**TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Depreciation	<u>\$ 3,650</u>	<u>\$ 5,061</u>
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More detailed information about the capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk considered many factors when budgeting for the next year, including increased or decreased rates and fees to be charged. Another one of those factors is the new laws and regulations.

Following is a condensed summary of next year's budget:

	<u>FY 2023</u>
Anticipated revenues	\$ 4,415,500
Expenditures:	
Current	4,350,500
Capital outlay	<u>20,000</u>
Anticipated expenditures	<u>4,370,500</u>
Excess of revenues	45,000
Fund Balance:	
Beginning of the year	<u>5,500,030</u>
End of the year	<u>\$ 5,545,030</u>

The following assumptions are used to compile next year's budget:

- The salary of the Clerk of Court is fixed by Statute and includes a certification increase of 7% of the base salary, compensation from the Supplemental Compensation Fund, an expense allowance, and compensation for duties performed in connection with elections. For the year ending June 30, 2022 that amount is budgeted as \$143,700.
- \$600,000 is included to cover the contribution by the office to the Employee Retirement Fund (22.25% of the employer portion and 8.25% of the employee portion).
- Capital outlay includes anticipated expenditures of \$20,000 for office equipment and furnishings.
- \$800,000 is included to cover the employer's portion of Group Insurance.

***TERREBONNE PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022***

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of our finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact:

Honorable Theresa A. Robichaux
Terrebonne Parish Clerk of Court
P.O. Box 1569
Houma, LA 70361
985-868-5660

Financial Section



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Theresa A. Robichaux
Terrebonne Parish Clerk of Court
Houma, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, (the Clerk) a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund, as of and for the year ended June 30, 2022, 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 Auditor's 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's for the Financial Statements

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

Auditor's 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 auditor's 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 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, 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 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 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 and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Management is responsible for the other information included in the annual report. The other supplemental information as listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other supplemental information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other supplemental information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2022, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

Stagni & Company

October 26, 2022
Thibodaux, Louisiana



TERREBONNE PARISH CLERK OF COURT

Statement of Net Position

June 30, 2022

ASSETS

Cash	\$ 5,386,848
Receivables	60,339
Prepaid Insurance	23,999
Candidate Qualifying Fee	68,135
Capital assets, net of accumulated depreciation	<u>18,262</u>

Total assets 5,557,583

DEFERRED OUTFLOWS OF RESOURCES

1,767,739

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Current liabilities

Accounts payable and accrued liabilities 269

Non-current liabilities:

Net OPEB liability 6,177,159

Net pension liability 2,506,789

Total liabilities 8,684,217

DEFERRED INFLOWS OF RESOURCES

5,454,461

NET POSITION:

Net Invested in Capital Assets 18,262

Unrestricted (deficit) (6,831,618)

Total net position \$ (6,813,356)

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

Statement of Activities

For the Year Ended June 30, 2022

EXPENSES

Salaries and benefits	\$ 1,928,835
Office supplies and expense	513,897
Insurance	797,127
Other	127,683
Depreciation	<u>5,061</u>
Total program expenses	<u>3,372,603</u>

PROGRAM REVENUES

Charges for services	<u>4,642,027</u>
Total program revenues	<u>4,642,027</u>

Net Program (Income) Expense 1,269,424

GENERAL REVENUES

Loss on disposed assets	<u>-</u>
Total general revenues	<u>-</u>

Change in Net Position 1,269,424

NET POSITION

Beginning of year	<u>(8,082,780)</u>
End of year	<u><u>\$ (6,813,356)</u></u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT
Balance Sheet - Governmental Fund
June 30, 2022

ASSETS	General Fund	
Cash and cash equivalents	\$ 5,386,848	
Receivables	60,339	
Due from Advanced Cost Fund - Interest	68,135	
Prepaid Insurance	23,999	
Total assets	<u>\$ 5,539,321</u>	
LIABILITIES AND FUND BALANCES		
Accounts payable and accrued expenses	\$ 269	
Total liabilities	<u>269</u>	
FUND BALANCE		
Nonspendable for Prepaid Insurance	23,999	
Unassigned	5,515,053	
Total fund balance	<u>5,539,052</u>	
Total liabilities and fund balances	<u>\$ 5,539,321</u>	
Reconciliation to the Statement of Net Position:		
Total fund balance - governmental fund (Fund Financial Statement)		\$ 5,539,052
Amounts reported for <i>governmental activities</i> in the statement of net position (Government-Wide Financial Statements) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Capital Assets	\$ 196,287	
Less Accumulated Depreciation	<u>(178,025)</u>	18,262
Deferred outflows and inflows are not financial resources or currently payable:		
Deferred outflows -pensions	1,041,729	
Deferred outflows-OPEB	<u>726,010</u>	1,767,739
Deferred inflows-pensions	(1,329,010)	
Deferred inflows-OPEB	<u>(4,125,451)</u>	(5,454,461)
Certain non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability		(2,506,789)
Net OPEB Obligation		<u>(6,177,159)</u>
Total net position of governmental activities (Government-Wide Financial Statements)		<u>\$ (6,813,356)</u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2022

REVENUES	<u>General Fund</u>
Suits and successions	\$ 1,407,302
Recording fees	2,126,340
Fees in criminal cases	137,016
Certified copies	136,002
Mortgage certificates	17,871
Court attendance	17,080
Marriage licenses	8,162
Notarial fees	19,821
Issuance of birth certificates/cards	150,238
Esearch fees	315,246
Electronic bulk data	29,457
IV-D Program charges	102,845
Interest	68,135
Other	106,512
Total revenues	<u>4,642,027</u>
EXPENDITURES	
Current - Judiciary:	
Salaries and benefits	2,590,851
Office operations	513,897
Insurance	797,127
Other	127,683
Total current expenditures	<u>4,029,558</u>
Capital outlay	15,030
Total expenditures	<u>4,044,588</u>
NET CHANGE IN FUND BALANCES	597,439
FUND BALANCES	
Beginning of year	<u>4,941,613</u>
End of year	<u><u>\$ 5,539,052</u></u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2022*

Net change in fund balance - governmental fund (Fund Financial Statements)	\$	597,439
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Capital outlays are reported as expenditures in the governmental fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.		
Add - Capital outlay	\$	15,030
Deduct - Depreciation expense		<u>(5,061)</u>
		9,969
Repayment of Non-current liabilities are reported as an expenditure in governmental funds, but the payment reduces long-term obligations in the statement of net position. In the current year, these amounts consists of:		
Pension expense and deferrals		213,042
Other Post-Employment Benefit Cost and deferrals		<u>448,974</u>
		<u>662,016</u>
Change in net position of governmental activities (Government -Wide Financial Statements)	\$	<u><u>1,269,424</u></u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT
Combining Statement of Fiduciary Net Position
June 30, 2022

	Advance Deposit Fund	Registry of the Court Fund	Total
ASSETS			
Cash and cash equivalents	\$ 3,596,232	\$ 4,953,492	\$ 8,549,724
Investments	1,120,000	-	1,120,000
	\$ 4,716,232	\$ 4,953,492	\$ 9,669,724
LIABILITIES			
Due to State-Unclaimed Property	\$ -	\$ -	\$ -
Unsettled deposits	4,716,232	4,953,492	9,669,724
	\$ 4,716,232	\$ 4,953,492	\$ 9,669,724

See notes to the financial statements.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2022

INTRODUCTION

The Clerk of Court (LSA-RS 13:781) serves as the parish recorder of conveyances, mortgages, notary public, et cetera. As provided by Article V, Section 28 of the Louisiana Constitution of 1974, The Clerk of Court serves a four-year term of office. The current term expires June 30, 2024. The Clerk may appoint deputies with duties and powers provided by law, with the approval of the district judge.

The financial statements of the Terrebonne Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used is discussed below.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As the governing authority of the parish, the Terrebonne Parish Consolidated Government (TPCG) is the financial reporting entity for Terrebonne Parish. TPCG maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture. Because the clerk of court is fiscally dependent on the TPCG, the clerk of court was determined to be a component unit of the TPCG, the financial reporting entity.

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

B. Basic Financial Statements

The basic financial statements include both government-wide (reporting the entity as a whole) and fund financial statements (reporting the entity's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government-Wide Financial Statements (GWFS)

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net position is reported in three parts—net invested in capital assets; restricted net assets; and unrestricted. The Clerk first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Clerk's functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if any. The net costs by function are normally covered by general revenue (interest income, miscellaneous).

This government-wide focus is more on the sustainability as an entity and the change in its net position resulting from the current year's activities.

Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements (FFS)

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

A. Basic Financial Statements (Continued)

Governmental Funds

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

General Fund

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

Fiduciary Funds – Agency Funds

Fiduciary fund (Advanced Deposit and Registry of the Court Funds) reporting focuses on net assets and changes in net assets. These funds are held for the benefit of individuals, but not derived from the Clerk's own source revenue, and over which the Clerk has no direct financial involvement. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, these funds have no measurement focus, but use the modified accrual basis of accounting.

B. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual: The governmental-type activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2022

C. Basis of Accounting (Continued)

Modified Accrual: The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

D. Cash and Cash Equivalents

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

E. Investments

Investments are limited by Louisiana Revised Statute 25 33:2955 and the investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities of investments are 90 days or less, they are classified as cash and cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with a cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture & Fixtures	10 years
Automobiles	5 years
Leased Equipment	5 years

G. Interfund Activities

The Clerk transfers interest earned on the investments of the Advance Deposit Fund to the Salary Fund to be utilized by the Salary Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

H. Fees Transferred from Advance Deposit Agency Fund

These fees represent revenue earned from everyday operations such as filing suits, preparing notices, etc. for litigants. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the Salary Fund.

I. Budgetary Practices

Prior to the beginning of each fiscal year, the Chief Deputy Clerk prepares, and the Clerk approves a formal budget for the General Fund based upon estimated revenues and proposed expenditures for the coming year using the modified accrual basis of accounting.

The proposed budget is published in the official journal of the Parish of Terrebonne and is presented to the public for review and inspection, after which it is finalized and adopted by the elected Clerk of Court of Terrebonne Parish.

A certified copy of the budget is then filed with the Chief Executive or Administrative Officer of the Terrebonne Parish Consolidated Government. Any amendments to the budget are published in the official journal. Budgetary integration is employed as a management tool.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Budgetary Practices (continued)

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

J. Compensated Absences

The employees are allowed a fixed number of days for vacation and sick leave each year. This policy does not provide for the accumulation or vesting of leave. Accordingly, no accrual is recorded for employee leave benefits.

K. Fund Equity

Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

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

Fund Balance

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

L. Use of Estimates

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

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Due to Terrebonne Parish Consolidated Government

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of the term of office, which amount shall be limited to no more than that which was received by the clerk in accordance with R.S. 1784 (A) during said term in office. At June 30, 2022, there was no amount due the parish treasurer.

Note 2 DEPOSITS AND INVESTMENTS

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The Clerk of Court has balances of deposits at year-end as follows:

	Balances	
	Reported	Bank
Cash and cash equivalent	\$13,936,572	\$14,655,397
Certificates of deposit	1,120,000	1,120,702
Totals	\$15,056,572	\$15,776,099

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned. The Clerk does not have a written policy for custodial credit risk. As of year-end, \$14,155,397 of the bank balance was exposed to custodial credit risk.

These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Clerk's name. At year-end, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositors.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 2 DEPOSITS (CONTINUED)

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 RECEIVABLES

Receivable balances at year end were for charges on accounts for services in the General Fund. All balances are expected to be collected in the upcoming year.

Note 4 CAPITAL ASSETS

Capital assets and depreciation activity for the year follows:

Cost:	Furniture & Fixtures	Office Equipment	TOTALS
Beginning Balance	\$ 170,623	\$ 155,080	\$ 325,701
Additions	-	15,030	15,030
Deletions	-	(144,444)	(144,444)
Total Cost	170,623	25,664	196,287
Accumulated Depreciation			
Beginning Balance	168,983	148,426	317,408
Additions/Adjustments	1,387	3,674	5,061
Deletions	-	(144,444)	(144,444)
Total Accumulated Depreciation	170,370	7,656	178,025
Net Capital Assets	\$ 253	\$ 18,008	\$ 18,262
Current Depreciation	\$ 1,387	\$ 3,674	\$ 5,061

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 5 PENSION PLAN

The Clerk adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

Plan Description and Provisions

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained from the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana, 70816, or by calling (225) 293-1162.

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

Retirement Benefits

A member or former member is eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3-1/3% of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last 3 years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last 6 years of measurement.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 5 PENSION PLAN (continued)

Disability Benefits

Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of 40% of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per RS. 11:1521(C).

Survivor Benefits

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse.

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in DROP for up to 36 months and defer the receipt of benefits.

Cost of Living Adjustments

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of \$40 per month.

The LA statutes allow the board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 21%.

In accordance with state statute, the Fund also 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. The amount of proportionate share of non-employer contributions for the Clerk for June 30, 2021 was \$226,725.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 5 PENSION PLAN (continued)

The Clerk is not required to but is allowed to pay the employee and employer portion of the required contribution. The Clerk's entire contribution for the years ending June 30, 2020, 2021, and 2022 were \$487,721, \$537,039, and \$573,117 respectively, which were equal to the required contributions for each year.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of June 30, 2022 the Clerk reported a liability of \$2,506,789 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the proportion of the plan was 1.884466%, a decrease of .05733% from the prior year.

For the year ended June 30, 2022, the Clerk recognized pension expense of \$513,732 and the following deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between Expected and Actual Experience	\$ 69,885	\$ (42,061)
Investment Earnings	-	(1,108,785)
Changes in Assumptions	541,179	-
Change in Proportions	-	(178,164)
Contributions after the measurement period	430,665	-
	<u>\$ 1,041,729</u>	<u>\$(1,329,010)</u>

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 5 PENSION PLAN (continued)

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

Year ended June 30:	
2023	\$ (33,446)
2024	(94,767)
2025	(174,706)
2026	(415,027)
TOTAL	\$(717,946)

Actuarial Assumptions

The total pension liabilities were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Investment rate of return	6.55%
Projected salary increases	1-5 years of service - 6.20% 5 years or more – 5.0%
Inflation Rate	2.40%
Expected remaining service lives	5 years

Mortality rates were based on Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return are developed for each major asset class. The long term expected rate of return was 6.02% for the year ended June 30, 2021.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 5 PENSION PLAN (continued)

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income – Domestic Bonds	25.0%	2.50%
Fixed income – International Bonds	25.0%	3.50%
Domestic Equity	38.0%	7.50%
International Equity	22.0%	8.50%
Real Estate	15.0%	4.50%
Totals	100.0%	

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 PRSAC taking into consideration the recommendation of the Plan's actuary.

Based on these assumptions, the Plan'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 period of projected benefit payments to determine the total pension liability.

Sensitivity to changes in the discount rate

The following presents the net pension liability of the participating employers calculated using the discount rates as shown above, as well as what the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
Net Pension Liability	\$4,418,758	\$ 2,506,789	\$ 893,272

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 6 OTHER POST-RETIREMENT BENEFITS

Plan Description. The defined benefit postemployment health care plan (the plan) provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The plan is a single employer defined benefit OPEB plan administered by the Clerk. Benefits are provided through the Louisiana Clerks of Court Insurance Trust ("LCCIT"), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute 13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the CLLIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

Benefits Provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 75% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

Employees covered by benefit terms. At January 1, 2022 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>56</u>
	<u>94</u>

Total OPEB Liability. The total OPEB liability of \$6,177,159 was measured as of June 30, 2022 and was determined by an actuarial valuation as of January 1, 2022.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6 OTHER POST-RETIREMENT BENEFITS (continued)

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	3.25%
Discount rate	3.69%
Healthcare cost trend rates	
Medical:	6.50% for 2022, 6.25% for 2023, decreasing 0.25% per year to an ultimate rate of 5.0% for 2028 and later years.
Medicare Advantage:	4.50% for 2022, 4.25% for 2023, decreasing 0.25% per year to an ultimate rate of 3.0% for 2028 and later years. Include 2% per year for aging.
Dental:	3.00% annual trend.
Vision:	2.50% annual trend.

Retirees' Share of Benefit-Related Costs:

Medical:	0% for retirees and 25% for dependents.
Medicare Supplement:	0% for retirees and 25% for dependents.
Dental:	0% for retirees and 25% for dependents.
Vision:	0% for retirees and 25% for dependents.
Basic Life Insurance:	0%

- The discount rate was based on the 6/30/2022 Fidelity General Obligation AA 20-Year Yield.
- Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2021.
- Mortality rates for retirees and surviving spouses were based on the PubG.H-2010 Healthy Retiree Mortality Table for males or females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2021.
- The actuarial assumptions used in the valuation were based on those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6 OTHER POST-RETIREMENT BENEFITS (continued)

Changes in the Total OPEB Liability

Balance at 6/30/2021	\$7,812,055
Changes for the year:	
Service Cost	117,693
Interest	149,557
Differences between expected and actual experience	(101,417)
Changes in Assumptions/Inputs	<u>(1,520,130)</u>
Benefit payments	<u>(280,599)</u>
Change in Net OPEB Obligation	<u>(1,634,896)</u>
Ending Net OPEB Obligation	<u>\$6,177,159</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (2.69%)	Current Discount Rate (3.69%)	1.0% Increase (4.69%)
Total OPEB liability	\$ 7,028,885	\$ 6,177,159	\$ 5,281,655

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease	Trend Rate	1.0% Increase
Total OPEB liability	\$ 5,612,167	\$6,177,159	\$ 6,883,599

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6 OTHER POST-RETIREMENT BENEFITS (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2022, the Clerk recognized OPEB expense of \$168,374 and 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	\$ 0	\$ (765,556)
Changes of assumptions or other inputs	726,610	(3,359,985)
Total	\$ 726,010	\$ (4,125,451)

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:

2023	\$(435,624)
2024	\$(435,624)
2025	\$(435,624)
2026	\$(530,602)
2027	\$(530,602)
Thereafter	\$(1,031,365)

Note 7 LITIGATION

There is no litigation pending that is required to be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2022

Note 8 RISK MANAGEMENT

GENERAL LIABILITY INSURANCE

The Clerk of Court is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court purchases commercial insurance policies for any and all claims relating to the above types of risks.

The Clerk's payment of the deductible is the only liability associated with these insurance policies. There has been no significant reduction in insurance coverage in the prior year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

HEALTH INSURANCE

The Clerk of Court provides health and life insurance to employees through the Louisiana Clerk of Court Association. Under this insurance program, the Clerk pays initial premiums based on the level of the employee's participation and has no further liabilities on any claims.

Required Supplemental Information

TERREBONNE PARISH CLERK OF COURT

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2022

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u>
		<u>(Amended)</u>		<u>(Unfavorable)</u>
Suits and successions transferred from the Advance Deposit Fund	\$ 1,650,000	\$ 1,347,578	\$ 1,407,302	\$ 59,724
Recording fees	1,975,000	2,077,295	2,126,340	49,045
Fees in criminal cases	150,000	141,354	137,016	(4,338)
Certified copies	150,000	132,181	136,002	3,821
Mortgage certificates	15,000	16,770	17,871	1,101
Court attendance	17,000	16,992	17,080	88
Marriage licenses	9,000	8,462	8,162	(300)
Notarial fees	12,000	17,653	19,821	2,168
Other	500,000	819,214	772,433	(46,781)
Total revenues	4,478,000	4,577,499	4,642,027	64,528
 <u>Expenditures</u>				
Current-Judiciary:				
Salaries and benefits	2,665,000	2,556,482	2,590,851	(34,369)
Office supplies and expense	275,000	317,750	513,897	(196,147)
Insurance	1,038,000	818,820	797,127	21,693
Other	415,000	326,030	127,683	198,347
Total current expenditures	4,393,000	4,019,082	4,029,558	(10,476)
Capital outlay	20,000	-	15,030	(15,030)
Total expenditures	4,413,000	4,019,082	4,044,588	(25,506)
 Excess (deficiency) of revenues over expenditures	 65,000	 558,417	 597,439	 39,022
 <u>Fund Balances</u>				
Beginning of year	5,121,931	4,941,613	4,941,613	-
End of year	<u>\$ 5,186,931</u>	<u>\$ 5,500,030</u>	<u>\$ 5,539,052</u>	<u>\$ 39,022</u>

TERREBONNE PARISH CLERK OF COURT

**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Louisiana Clerks' of Court Retirement and Relief Fund**

For Fiscal Year Ending:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Plan Measurement Date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Proportion of the net pension liability (asset)	2.306187%	2.160006%	2.112920%	2.115147%	2.053135%	2.001727%	1.941791%	1.884466%
Proportionate share of the net pension liability (asset)	\$ 2,987,312	\$ 3,240,077	\$ 3,908,846	\$ 3,200,078	\$ 3,414,980	\$ 3,635,120	\$ 4,671,687	\$ 2,506,789
Covered-employee payroll	\$ 1,980,880	\$ 1,980,880	\$ 1,968,891	\$ 1,968,075	\$ 1,978,205	\$ 1,935,019	\$ 1,912,725	\$ 1,935,574
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	150.81%	163.57%	198.53%	162.60%	172.63%	187.86%	244.24%	129.51%
Plan fiduciary net position as a percentage of the total pension liability	65.00%	62.70%	74.17%	79.69%	79.07%	77.93%	72.09%	85.40%

Note: Initial Year of GASB 68 Implementation, Schedule is intended to show information for 10 years. Additional Years will be displayed as they become available.

Notes to Required Supplementary Information

Changes of Benefit Terms.		no changes	no changes	no changes	no changes	no changes	no changes	no changes
Changes of Assumptions:								
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	7.25%	7.00%	7.00%	7.00%	6.75%	6.75%	6.75%	6.55%
Projected salary increase	5.75%	5.00%	5.00%	5.00%	5.00%	5.00%	6.20%	6.20%
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.40%
Long term expected real rate of return	7.6	7.6	7.6	7.60%	7.10%	6.38%	6.18%	6.02%
Expected service lives	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years

TERREBONNE PARISH CLERK OF COURT

Schedule of Required Contributions

Louisiana Clerks' of Court Retirement and Relief Fund

For Fiscal Year Ending:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Plan Measurement Date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Contractually required contributions	\$ 521,018	\$ 521,018	\$ 521,018	\$ 514,508	\$ 492,133	\$ 370,045	\$ 366,205	\$ 399,424
Contributions in relation to the contractually required contribution	\$ 521,018	\$ 521,018	\$ 521,018	\$ 514,508	\$ 492,133	\$ 369,758	\$ 365,805	\$ 399,424
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287	\$ 400	\$ -
Covered-employee payroll	\$ 1,980,880	\$ 1,980,880	\$ 1,968,891	\$ 1,968,075	\$ 1,978,205	\$ 1,935,019	\$ 1,912,725	\$ 1,935,574
Contribution as a percentage of covered employee payroll	26.30%	26.30%	26.46%	26.14%	24.88%	19.11%	19.12%	20.64%

Note: Initial Year of GASB 68 Implementation, Schedule is intended to show information for 10 years. Additional Years will be displayed as they become available.

Notes to Required Supplementary Information

Changes of Benefit Terms.	no changes	no changes	no changes	no changes	no changes	no changes	no changes	no changes
Changes of Assumptions:								
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	7.00%	7.00%	7.00%	7.00%	6.75%	6.75%	6.75%	6.55%
Projected salary increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	6.20%	6.20%
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.40%
Long term expected real rate of return	7.6	7.6	7.6	7.60%	7.10%	6.38%	6.18%	6.02%
Expected service lives	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years

TERREBONNE PARISH CLERK OF COURT
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total OPEB Liability	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Service cost	\$ 198,564	\$ 204,313	\$ 153,492	\$ 189,625	\$ 117,693
Interest on Liabilities	352,076	310,539	337,178	182,680	149,557
Differences between expected and actual experience	(31,155)	(422,931)	(677,786)	(11,784)	(101,417)
Changes in assumptions or other inputs	-	1,115,033	(2,899,687)	310,172	(1,520,130)
Benefit payments	(329,645)	(329,807)	(280,297)	(250,643)	(280,599)
Net change in Total OPEB Liability	189,840	877,147	(3,367,100)	420,050	(1,634,896)
Total OPEB Liability - beginning	9,692,118	9,881,958	10,759,105	7,392,005	7,812,055
Total OPEB Liability - ending	\$ 9,881,958	\$ 10,759,105	\$ 7,392,005	\$ 7,812,055	\$ 6,177,159

Covered employee payroll	\$ 1,862,553	\$ 1,923,086	\$ 1,981,447	\$ 1,972,419	\$ 1,991,342
OPEB Liability as a percentage of covered employee payroll	530.56%	559.47%	373.06%	396.06%	310.20%

*Note: Initial Year of GASB 75 Implementation is 2018. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Changes of Benefit Terms include: none none none none none

Changes of Assumptions-Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Discount rate	3.62%	3.13%	3.62%	1.92%	3.69%
Inflation	2.40%	2.40%	2.45%	2.40%	2.40%
Salary Increases, including inflation	3.00%	3.00%	3.00%	3.25%	3.25%

Mortality tables	RPH-2014, generational with Scale MP-2017	PubG.H-0010, generational with Scale MP-2018	PubG.H-0010, generational with Scale MP-2019	PubG.H-2010, generational with Projection Scale MP-2020	PubG.H-2010, generational with Projection Scale MP-2021
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Other Supplementary Information

TERREBONNE PARISH CLERK OF COURT

Schedule of Changes in Fiduciary Liabilities

For the Year Ended June 30, 2022

	Advance Deposit Fund	Registry of the Court Fund	Total
Additions:			
<u>Deposits</u>	\$ 2,908,914	\$ 1,145,495	\$ 4,054,409
Interest	-	1,380	1,380
Total additions	<u>2,908,914</u>	<u>1,146,875</u>	<u>4,055,789</u>
Reductions:			
<u>Payments</u>	1,930,165	298	1,930,463
Refunds	784,093	1,773,218	2,557,311
Total reductions	<u>2,714,258</u>	<u>1,773,516</u>	<u>4,487,774</u>
Total Increase (Decrease) in Liabilities	194,656	(626,641)	(431,985)
Unsettled deposits:			
<u>Beginning of year</u>	<u>4,521,576</u>	<u>5,580,133</u>	<u>10,101,709</u>
End of year	<u>\$ 4,716,232</u>	<u>\$ 4,953,492</u>	<u>\$ 9,669,724</u>

TERREBONNE PARISH CLERK OF COURT

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2022

Agency Head Name: Theresa Robichaux, Clerk of Court

Purpose	Amount
Salary	\$188,698
Benefits - insurance	\$8,644
Benefits - retirement	\$13,365
Deferred Compensation (Contributions made by the Agency)	\$0
Benefits - Other (HSA Contribution)	\$500
Car Allowance	\$0
Vehicle provided by government (amount reported on W-2)	\$0
Cell Phone	\$0
Dues	\$0
Vehicle rental	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$250
Conference travel	\$398
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Other (Including payments made by other parties on behalf of the Agency Head)	\$0

This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	TERREBONNE PARISH CLERK OF COURT
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	1199
Date that reporting period ended (mm/dd/yyyy)	June 30, 2022

	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 06/30/22
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	4,778,722	4,799,364
Add: Collections		
Civil Fees - Advanced Deposits	1,191,540	2,907,879
Interest Earnings on Collected Balances	257	464
Subtotal Collections	1,191,797	2,908,343

Less: Disbursements To Governments & Nonprofits: *(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.)*

Louisiana Secretary of State - Service Fees	10,250	15,379
La.State Treasurer - Judges Supplemental Compansation Fund	29,199	36,280
La.Supreme Court Judicial Administrator - Fees	1,220	1,770
La.Supreme Court Judicial Administrator - Judicial College Fund	553	686
Lafourche Bar Association - Library Fund	2	8
Terrebonne Parish Council - Jury	375	1,860
First Circuit Court of Appeal - Fees	982	1,308
Terrebonne Parish Sheriff - Fees	67,554	80,927
Acadia Parish Sheriff - Fees	-	111
Allen Parish Sheriff - Fees	13	-
Avoyelles Parish Sheriff - Fees	142	32

Ascension Parish Sheriff - Fees	460	358
Assumption Parish Sheriff - Fees	435	476
Beauregard Parish Sheriff - Fees	-	267
Caddo Parish Sheriff - Fees	331	417
Calcasieu Parish Sheriff - Fees	266	150
Catahoula Parish Sheriff - Fees	3,437	22
East Baton Rouge Parish Sheriff - Fees	15,695	23,831
East Feliciana Parish Sheriff - Fees	-	46
Evangeline Parish Sheriff - Fees	-	64
Grant Parish Sheriff - Fees	-	44
St. Helena Parish Sheriff - Fees	30	-
Iberia Parish Sheriff - Fees	270	335
Iberville Parish Sheriff - Fees	71	165
Jefferson Parish Sheriff - Fees	4,070	7,949
Lafayette Parish Sheriff - Fees	2,242	2,967
Lafourche Parish Sheriff - Fees	10,043	11,255
Lasalle Parish Sheriff - Fees	47	94
Lincoln Parish Sheriff - Fees	4,160	69
Madison Parish Sheriff - Fees	30	120
Livingston Parish Sheriff - Fees	169	318
Natchitoches Parish Sheriff - Fees	-	33
Orleans Parish Sheriff - Fees	3,230	4,874
Ouachita Parish Sheriff - Fees	77	482
Richland Parish Sheriff - Fees	30	30
Rapides Parish Sheriff - Fees	16	279
St. Bernard Parish Sheriff - Fees	-	132
St. Charles Parish Sheriff - Fees	187	473
St. James Parish Sheriff - Fees	105	253
St. John the Baptist Parish Sheriff - Fees	5	361
St. Landry Parish Sheriff - Fees	32	313
St. Martin Parish Sheriff - Fees	120	52

St. Mary Parish Sheriff - Fees	966	1,588
St. Tammany Parish Sheriff - Fees	76	81
Tangipahoa Parish Sheriff - Fees	555	303
Pointe Coupee Parish Sheriff - Fees	-	36
Vermilion Parish Sheriff - Fees	93	36
Vernon Parish Sheriff - Fees	-	102
West Feliciana Parish Sheriff - Fees	33	-
Washington Parish Sheriff - Fees	-	87
Webster Parish Sheriff - Fees	40	35
West Baton Rouge Sheriff - Fees	84	-

Less: Amounts Retained by Collecting Agency

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*)

Terrebonne Parish Clerk - Civil Fees	599,484	808,340
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Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies

Civil Fee Refunds	390,356	409,890
Other Disbursements - Attorney and Ad Hoc Fees	22,551	56,394
Other Disbursements - Court Reporters	755	4,290
Other Disbursements - Other Fees (Publications & Shipping)	64	-
Payments to 3rd Party Collection/Processing Agencies	250	140

Subtotal Disbursements/Retainage	1,171,155	1,475,912
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Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	4,799,364	6,231,795
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Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	TERREBONNE PARISH CLERK OF COURT
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	1199
Date that reporting period ended (mm/dd/yyyy)	June 30, 2022

If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund. Examples include Judicial Expense Fund, Drug Court Fund, Veterans Treatment Court Fund, etc.

Cash Basis Presentation	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 06/30/22
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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.)

Terrebonne Parish Sheriff Office - Criminal Fee	27,337	13,780
Office of Family Support - Criminal Fee	2,541	10,317
Terrebonne Parish Consolidated Government - Criminal Fee	48,080	37,604
Various Attorneys - Expungements	3,260	5,940
Subtotal Receipts	81,218	67,641
Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)	-	-

*Reports Required by
Government Auditing Standards*



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Honorable Theresa A. Robichaux
Terrebonne Parish Clerk of Court
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated October 26, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Stagni & Company

Thibodaux, Louisiana
October 26, 2022



TERREBONNE PARISH CLERK OF COURT

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

***As of and for the Year Ending
June 30, 2022***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

STATEWIDE AGREED-UPON PROCEDURES REPORT

Terrebonne Parish Clerk of Court

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2021 – June 30, 2022

Terrebonne Parish Clerk of Court and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Terrebonne Parish Clerk of Court (Clerk) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Clerk's 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, 2021 through June 30, 2022. 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 and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving

- d) **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).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *Written policies and procedures were obtained and reviewed. The requirements were met except for the following:*

- 1) *The policy for g) Credit Cards does not mention how cards are to be controlled or who is allowed to use a credit card.*
- 2) *The policy for i) Ethics, does not mention the requirement to maintain documentation that demonstrates all employees and officials were notified of any changes to the Clerk of Court's ethics policy; however the Ethics policy was not modified during the fiscal year.*
- 3) *There is no policy for j) Debt Service, however the policy is not applicable. The Clerk of Court has no outstanding debt and no new debt has been issued.*
- 4) *The policy for l) Sexual Harassment, does not mention the requirement for annual training for employees or for annual reporting. However, annual training is required and an annual report is filed by the Clerk of Court's office.*



Board or Finance Committee

2. Obtain and review 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:
 - a) Observe that 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.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) 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.

Results: *The category is not applicable to the Clerk of Court's office. The Clerk is an elected official is not governed by a Board or finance committee.*

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/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
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *No exceptions were noted in this area.*



Collections (excluding electronic funds transfers)

4. 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).
5. 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) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) 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.
 - c) 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.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *There were no exceptions noted in this area.*



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

8. 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).
9. For each location selected under #8 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:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.
 - d) 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.
10. For each location selected under #8 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) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *No exceptions were noted in this area.*

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

11. 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.



b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 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 that 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.

Results: *There was no evidence of approval on the statement or receipts. The Clerk’s policy does not require review and approval by someone other than the card holder.*

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

14. 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:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that 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 policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *There are no exceptions in this area.*

Contracts

15. 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. 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:



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- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Results: *No exceptions were noted in this area.*

Payroll and Personnel

16. 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.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) 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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. 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 policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.



Results: *No exceptions were noted in this area.*

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: *No exceptions were noted in this area.*

Debt Service

21. 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 that State Bond Commission approval was obtained for each bond/note issued.
22. 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.

Results: *This test is not applicable. There was no outstanding debt or new debt issued during the fiscal year.*

Fraud Notice

23. 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.
24. 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.

Results: *The Clerk of Court had no misappropriations of public funds or assets reported during the fiscal year. The notice was posted on both the premises and the website. No exceptions were noted in this area.*



Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. 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.

Results: *We performed the procedure and discussed the results with management. No exceptions were noted.*

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. 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).
28. 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 it includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

Results: *No exceptions were noted in this area.*



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

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

Stagni & Company

Thibodaux, LA
October 26, 2022



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