



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

ST. JOHN THE BAPTIST PARISH CLERK OF COURT

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clerk of Court as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk of Court 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.

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Responsibilities of Management for the Financial Statements

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

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

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 5-9, the analysis and budgetary comparison information on pages 41-42, and the schedule of proportionate share of the net pension liability and schedule of contributions and the related notes to required supplementary information on pages 43-45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The Schedule of Changes in Fiduciary Liabilities and the Schedule of Compensation, Payments, and Other Benefits to Agency Head (the schedules) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
May 31, 2024

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The Management's Discussion and Analysis of St. John the Baptist Parish Clerk of Court's financial performance provides an overview of the financial activities for the year. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The liabilities of the Clerk of Court exceeded its assets by \$2,241,429 at June 30, 2023. The Clerk of Court has an unrestricted net deficit of (\$2,396,139) in governmental activities.
- During the year, the Clerk of Court had expenses of \$2,346,731, which was \$603,722 more than the \$1,743,009 of revenue generated by governmental programs during the year.
- Governmental funds reported an ending fund balance of \$978,051.
- Total governmental fund revenues were \$2,023,844 in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the Clerk of Court. The first two statements are Government-Wide Financial Statements that provide both long-term and short-term information about the Clerk of Court's overall financial status. The remaining statements are Fund Financial Statements that focus on individual funds of the Clerk of Court, reporting the Clerk of Court's operations in more detail than the Government-Wide Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-Wide Financial Statements report information about the Clerk of Court as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Clerk of Court's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The two Government-Wide statements report the Clerk of Court's net position and how they have changed. The balance of net position is an indicator of the financial well-being of the Clerk of Court. Increases and decreases in net position are an indicator of whether its financial health is improving or declining.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements provide more detailed information about the Clerk of Court's most significant funds - not the entity as a whole. Funds are accounting devices that governments use to keep track of specific sources of funding and spending for particular purposes. The Clerk of Court has two (2) governmental funds to account for the numerous funding sources provided annually, both of which are considered major funds and presented individually in the financial statements. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

Governmental fund financial statements focus on how money flows in and out of those funds, the balances that are left at year-end, and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements are reconciled in the fund financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. The Budgetary Comparison Schedule reports the original and final amended budget adopted by the Clerk of Court as well as the actual activities and how they compare to the final budgeted numbers.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The liabilities of the Clerk of Court exceeded its assets by \$2,241,429 at June 30, 2023. The Clerk of Court has an unrestricted net deficit of (\$2,396,139). The following table reflects condensed information on the Clerk of Court's net position at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets			
Cash and Cash Equivalents	\$ 984,867	\$ 1,231,797	\$ (246,930)
Certificates of Deposit	100,610	100,559	51
Receivables	8,063	37,264	(29,201)
Due From Other Governments	5,134	-	5,134
Prepaid Expenses	3,865	4,360	(495)
Capital Assets, net	<u>8,981</u>	<u>4,544</u>	<u>4,437</u>
Total Assets	<u>1,111,520</u>	<u>1,378,524</u>	<u>(267,004)</u>
Deferred Outflows of Resources			
Pension Deferrals	<u>545,665</u>	<u>907,504</u>	<u>(361,839)</u>
Total Deferred Outflows of Resources	545,665	907,504	(361,839)
Liabilities			
Accounts Payable and Accrued Expenses	124,488	139,429	(14,941)
Pension Liabilities	<u>3,228,461</u>	<u>3,501,339</u>	<u>(272,878)</u>
Total Liabilities	<u>3,352,949</u>	<u>3,640,768</u>	<u>(287,819)</u>
Deferred Inflows of Resources			
Pension Deferrals	<u>691,394</u>	<u>688,435</u>	<u>2,959</u>
Total Deferred Inflows of Resources	691,394	688,435	2,959
Net Position			
Net Investment in Capital Assets	8,981	4,544	4,437
Unrestricted Deficit	<u>(2,396,139)</u>	<u>(2,047,719)</u>	<u>(348,420)</u>
Total Net Position (Deficit)	<u>\$ (2,387,158)</u>	<u>\$ (2,043,175)</u>	<u>\$ (343,983)</u>

**ST. JOHN THE BAPTIST PARISH - CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The Clerk of Court had (\$311,818) in net position subject to restrictions in the current year. Restricted net position relates to any surplus fund balance for the Eastbank Fund, a special revenue fund. The Clerk of Court's total revenues for the year in governmental activities were \$2,023,844 (\$1,743,009 in program revenues and \$280,835 in general revenues).

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Looking at funds helps you consider whether the Clerk of Court is being accountable for the resources provided to it but may also give you more insight into overall financial health.

The focus of the Clerk of Court's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Clerk of Court's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Clerk of Court's governmental funds reported combined ending fund balances of \$978,051. Unassigned fund balance was reported at \$1,286,004.

The General Fund is the primary fund of the Clerk of Court. As of June 30, 2023, the General Fund had an unassigned fund balance of \$1,286,004. As a measure of the General Fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. The unassigned fund balance represents 62% of total General Fund expenditures in the current year.

The fund balance of the Eastbank Fund (Special Revenue Fund) decreased by (\$110,906) during the current fiscal year due to a transfer to the General Fund to resolve a re-occurring deficit fund balance.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

BUDGETARY HIGHLIGHTS

The Clerk of Court's budget is prepared according to Louisiana law. During the course of the year, the Clerk of Court revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less, or anticipated expenditures in excess, of budgetary goals by 5% or more. A statement reporting the Clerk of Court's original budgets compared with actual operating results is provided in the schedules beginning on page 39.

A comparison of actual results as of June 30, 2023 and the original budget for the General Fund are as follows:

	Budget	Actual	Final Budget
Total Revenues	\$ 1,994,900	\$ 1,957,967	\$ 36,933
Total Expenses	2,257,575	2,076,625	180,950
Net Change in Fund Balance	\$ (262,675)	\$ (118,658)	\$ (144,017)

CAPITAL ASSETS

The Clerk reported capital assets of \$8,981 and \$4,544 at June 30, 2023 and 2022, respectively. Capital assets consist of various furniture, fixtures & equipment. Depreciation expense for the year was \$1,403.

ECONOMIC AND OTHER FACTORS BEARING ON THE CLERK'S FUTURE

Historically, the Clerk of Court's office staff and costs remain relatively stable and should continue to do so. The Clerk's office anticipates a similar amount of program revenues in the following year, which would lead to a similar change in fund balance next year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances and to show the accountability for the funds received. If you have questions about this report or need additional information, contact: Honorable Eliana DeFrancesch, St. John the Baptist Parish Clerk of Court, P.O. Box 280, Edgard, Louisiana 70049.

BASIC FINANCIAL STATEMENTS

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
AS OF JUNE 30, 2023**

Assets	
Cash and Cash Equivalents	\$ 984,867
Certificates of Deposit	100,610
Receivables	8,063
Due From Other Governments	5,134
Prepaid Expenses	3,865
Capital Assets, net	8,981
Total Assets	<u>1,111,520</u>
 Deferred Outflows of Resources	
Pension Deferrals	<u>545,665</u>
Total Deferred Outflows of Resources	545,665
 Liabilities	
Accounts Payable and Accrued Expenses	124,488
Pension Liabilities	<u>3,228,461</u>
Total Liabilities	<u>3,352,949</u>
 Deferred Inflows of Resources	
Pension Deferrals	<u>691,394</u>
Total Deferred Inflows of Resources	691,394
 Net Position	
Net Investment in Capital Assets	8,981
Unrestricted Deficit	<u>(2,396,139)</u>
Total Net Position (Deficit)	<u>\$ (2,387,158)</u>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
AS OF JUNE 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses)/Revenues</u>
		<u>Charges for Services</u>	
Governmental Activities:			
General Government	\$ 2,346,731	\$ 1,743,009	\$ (603,722)
Total governmental Activities:			<u>(603,722)</u>
General Revenues:			
Miscellaneous Revenue			265,179
Interest and Investment Earnings			<u>15,656</u>
Total General Revenues			<u>280,835</u>
Changes in Net Position			<u>(322,887)</u>
Net Position - Beginning			<u>(2,043,175)</u>
Net Position Adjustment			<u>(21,096)</u>
Net Position - Ending			<u>\$ (2,387,158)</u>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023**

	General Fund	Eastbank Expense Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 939,370	\$ 45,497	\$ 984,867
Certificates of Deposit	100,610	-	100,610
Receivables, Net	8,063	-	8,063
Due From Other Governments	-	5,134	5,134
Due From Other Funds	362,449	-	362,449
Prepaid Expenses	3,865	-	3,865
Total Assets	1,414,357	50,631	1,464,988
Liabilities			
Accounts Payable	33,514	-	33,514
Accrued Expenses	90,974	-	90,974
Due to Other Funds	-	362,449	362,449
Total Liabilities	124,488	362,449	486,937
Fund Balance			
Nonspendable	3,865	-	3,865
Restricted	-	(311,818)	(311,818)
Unassigned	1,286,004	-	1,286,004
Total Fund Balance	1,289,869	(311,818)	978,051
Total Liabilities and Net Assets	\$ 1,414,357	\$ 50,631	\$ 1,464,988

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	East Bank Expense Special Revenue Fund	Total Governmental Funds
Revenues			
Licenses and Permits	\$ 4,230	\$ -	\$ 4,230
Fees, Charges and Commissions:			
Court Costs, Fees, and Charges	1,045,845	65,871	1,111,716
Recording Legal Documents	575,413	-	575,413
Certified Copies	51,650	-	51,650
Intergovernmental Revenues:			
State - Child Support Fees	47,241	-	47,241
Other Intergovernmental Revenues	217,938	-	217,938
Interest	15,650	6	15,656
Total Revenues	<u>1,957,967</u>	<u>65,877</u>	<u>2,023,844</u>
Expenditures			
Current:			
General Government:			
Personnel Salaries and Related Benefits	1,738,813	176,765	1,915,578
Operating Services	292,943	18	292,961
Materials and Supplies	44,869	-	44,869
Total Expenditures	<u>2,076,625</u>	<u>176,783</u>	<u>2,253,408</u>
Net Change in Fund Balance	(118,658)	(110,906)	(229,564)
Fund Balance, Beginning of Year	1,371,274	(144,752)	1,226,522
Fund Balance Adjustment	<u>37,253</u>	<u>(56,160)</u>	<u>(18,907)</u>
Fund Balance, End of Year	<u>\$ 1,289,869</u>	<u>\$ (311,818)</u>	<u>\$ 978,051</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
RECONCILIATION OF GOVERNMENT FUND BALANCE TO NET POSITION OF GOVERNMENTAL
ACTIVITIES
AS OF JUNE 30, 2023**

Fund Balances, Total Governmental Funds \$ 978,051

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	206,143	
Less Accumulated Depreciation	<u>(197,162)</u>	8,981

Deferred outflows of resources related to the pension plan	545,665
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Deferred inflows of resources related to the pension plan	(691,394)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Net Pension Liability	(2,354,661)	
Net OPEB Obligation	<u>(873,800)</u>	<u>(3,228,461)</u>

Net Position of Governmental Activities	\$ <u>(2,387,158)</u>
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**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances, Total Governmental Funds \$ (229,564)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This represents the amount that capital outlays exceeded depreciation expense in the current period.

Capital Outlay	-
Depreciation Expense	(1,403)

In the Statement of Activities, certain pension and OPEB-related outflows and inflows of resources are recognized in the current year, while others are deferred. The net effect of these pension-related transactions are as follows:

Current year pension (expense) per the retirement system	(111,428)
Current year OPEB (expense)	<u>19,508</u>

Change in Net Position of Governmental Activities \$ (322,887)

The accompanying notes are an integral part of these financial statements.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AS OF JUNE 30, 2023

Assets

Current Assets

Cash and cash equivalents	\$ 4,086,084
Certificates of deposit	1,848,435
Due from litigants	806,225
Total Assets	<u>6,740,744</u>

Liabilities

Current Liabilities

Due to litigants and others	6,740,744
Total Liabilities and Net Assets	<u>\$ 6,740,744</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF CHANGES IN FIDUCIARY FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023**

ADDITIONS

Deposits on behalf of litigants	<u>\$ 3,231,244</u>
Total Additions	<u>3,231,244</u>

DEDUCTIONS:

Disbursements on behalf of litigants	<u>3,597,761</u>
Total Deductions	<u>3,597,761</u>
Change in Fiduciary Fund Balance	<u>(366,517)</u>

FIDUCIARY FUND BALANCE

Beginning of Year	<u>7,107,261</u>
End of Year	<u><u>\$ 6,740,744</u></u>

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. John the Baptist Parish Clerk of Court (the "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 of the Clerk of Court's accounting policies are described below.

Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is solely responsible for the operations of their office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the St. John the Baptist Parish (the "Parish") School Board, other independently elected officials, and municipalities within the Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Clerk of Court.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Clerk of Court. The effect of interfund activity has been removed from these statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounts of the Clerk of Court are organized and operated based on funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Governmental Funds

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

Eastbank Expense Special Revenue Fund - As provided by Louisiana Revised Statute 13:851, an additional cost is assessed in all criminal cases of which the Fortieth Judicial District Court has jurisdiction. This additional cost provides support for the Clerk of Court's branch office located on the east bank of the Mississippi River. The collection of the additional cost and related expenses of the east bank office are accounted for in this fund.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund - accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund - accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Criminal Juror Fund - accounts for funds from the Parish for criminal court proceedings pending court actions.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk of Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as required by accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted. All budgetary appropriations lapse at the end of each fiscal year.

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

Cash and Cash Equivalents

For the purpose of the statement of net position, cash includes all demand, savings accounts, and certificates of deposit with less than three months of maturity of the Clerk of Court.

Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities' column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the accompanying *statement of activities*, with accumulated depreciation reflected in the *statement of net position*. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Furniture, fixtures, and equipment have an estimated useful life of 5 to 10 years.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Clerk of Court has one item that meets the criterion for this category, pension-related deferrals.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Clerk of Court has one item that meets the criterion for this category, pension-related deferrals.

Compensated Absences

Employees of the Clerk of Court's office earn five (5) to twenty (20) days of vacation leave each year depending on length of service. In addition, employees earn twelve (12) days of sick leave each year. Employees may carry over five (5) days of vacation leave based on their anniversary date. Sick leave may accumulate indefinitely up to two hundred forty (240) hours. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation at the employee's current rate of pay.

Equity Classifications

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

- a. Net Investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net positions with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Fund balance for the Clerk of Court's governmental funds is reported depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
- e. Unassigned - amounts that are available for any purpose.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Accounting Estimates

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, initially in June 2017 and was effective for reporting periods beginning subsequent to December 15, 2019. However, in May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which delayed the GASB 87 effective date by 18 months. This pronouncement now requires the adoption of GASB 87 for all fiscal years beginning after June 15, 2021.

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. With the adoption of GASB 87, the Clerk established a materiality policy for its leases and other long-term contracts. Individual leases or contracts with total lease payments or contract value under \$100,000 will require no evaluation for lease reporting under GASB 87. Any contract identified as a lease or as having a lease component(s) that is below the \$100,000 threshold may be recorded in the same manner as a short-term lease with rent payments reported as expense (lessee) or revenue (lessor) on the income statement as those payments become due based on the terms of lease. Leases below the \$100,000 threshold will not be reported on the balance sheet or subject to GASB 87 disclosure requirements. At June 30, 2023, the Clerk did not have any leases that meet the criteria for balance sheet recognition.

The Governmental Accounting Standards Board also issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for reporting periods beginning subsequent to June 15, 2022. The statement provides accounting and financial reporting guidance specifically for government end users of subscription-based information technology arrangements (SBITAs). With the adoption of GASB 96, the Clerk established a materiality policy for its SBITAs. The Clerk has set a threshold to report SBITAs for contracts with values of \$100,000 or more, similar to that for leases. At June 30, 2023, the Clerk did not have any SBITAs that meet the criteria for balance sheet recognition.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Clerk of Courts' Pension and Relief Fund ("the Fund") and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2023, the Clerk of Court had the following cash and certificates of deposit as follows:

Governmental Funds	\$ 1,085,477
Fiduciary Funds	<u>5,934,518</u>
Total	<u><u>\$ 7,019,995</u></u>

Under State law, the bank balances of these deposits must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At year-end, the bank balances were fully secured by the amount insured by the FDIC or collateralized with securities held by the Clerk of Court's agent in the Clerk's name.

NOTE 3: CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2023:

Furniture, Fixtures & Equipment	\$ 206,143
Accumulated Depreciation	<u>(197,162)</u>
Capital Assets, Net	<u><u>\$ 8,981</u></u>

Depreciation expense for the year ended June 30, 2023 was \$1,403.

NOTE 4: PENSION PLAN

Plan Description

The Louisiana Clerks' of Court Retirement and Relief Fund (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's 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.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: PENSION PLAN (CONTINUED)

The following is a description of the plan and its 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 shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 60 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, are equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3½% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

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 forty percent of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521 (C).

Survivor Benefits

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: PENSION PLAN (CONTINUED)

Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $\frac{1}{4}$ of 1% for each month by which payments commence in advance of member's earliest normal retirement age.

If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Plan Option

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 the Deferred Retirement Option Plan (DROP) for up to 36 months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the DROP account equal to the payments to the account or a true annuity based upon his account (subject to approval by the Board of Trustees). In addition, the member receives the monthly benefits that were paid into the DROP fund during his period of participation.

If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. The interest earnings are based on the actual rate of return on funds in such accounts. These interest accruals cease upon termination of employment.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: PENSION PLAN (CONTINUED)

Upon termination, the member receives a lump-sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months.

Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate his original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost-of-Living Adjustments

The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, Louisiana statutes allow the Board to grant a cost-of-living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: PENSION PLAN (CONTINUED)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 22.25%. 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. Non-employer contributions are recognized as revenue during the year and excluded from pension expenses.

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

At June 30, 2023, the Clerk of Court reported a liability of \$2,354,661 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Clerk of Court's proportion was 1.09456%. For the year ended June 30, 2023, the Clerk of Court recognized pension expense of \$111,428. At June 30, 2023, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4: PENSION PLAN (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 12,716	\$ 23,967
Net difference between projected and actual investment earnings on pension plan investments	262,635	-
Change of assumptions	117,384	-
Change in proportions	77,123	18,223
Total deferred outflows/inflows	<u>\$ 469,858</u>	<u>\$ 42,190</u>

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

<u>Years Ending</u>	<u>Amounts</u>
6/30/2024	\$ 183,891
6/30/2025	19,256
6/30/2026	246,455
6/30/2027	<u>(21,934)</u>
Total	<u>\$ 427,668</u>

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: PENSION PLAN (CONTINUED)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation date	June 30, 2023
Actuarial cost method	Entry age Normal
Investment rate of return	6.55%, net of investment expense
Projected salary increases	1-5 years of service – 6.2% 5 years or more – 5%
Inflation Rate	2.40%
Mortality rates	Pub-2010 Public Retirement Plans multiplied by 120% Mortality Table with full generational Projection using appropriate MP-2019 improvement. table
Expected remaining service lives	5 years
Cost of Living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: PENSION PLAN (CONTINUED)

The actuarial assumptions used are based on the assumptions used in the 2023 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 - June 30, 2019 unless otherwise specified. In cases where benefit structures were changed after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 through June 30, 2019.

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 5.81% for the year ended June 30, 2023.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4: PENSION PLAN (CONTINUED)

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2023 is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset</u>	<u>Long-Term Expected Real</u>
Fixed Income		
Domestic Bonds	30%	2.50%
International Bonds	0%	3.50%
Domestic Equity	35%	7.50%
International Equity	20%	8.50%
Real Estate	15%	4.50%
	<u>100%</u>	

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 Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Clerk of Court's proportionate share of the Net Pension Liability using the discount rate of 6.55%, as well as what the Clerk of Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.55%) or one percentage-point higher (7.55%) than the current rate:

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4: PENSION PLAN (CONTINUED)

	1.0% Decrease (5.55%)	Current Discount Rate (6.55%)	1.0% Increase (7.55%)
Clerk of Court's proportionate share of the net pension liability	\$ 3,514,719	\$ 2,354,661	\$ 1,376,820

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Clerk of Court recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Clerk of Courts' Pension and Relief Fund Audit Report at www.la.gov. The Clerk of Courts' Pension and Relief Fund issues a publicly available audit report that includes financial statements and required supplementary information.

NOTE 5: OTHER POST EMPLOYMENT BENEFIT PLAN

General Information about the OPEB Plan

Plan Description. The Clerk's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The Clerk's OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

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 LCCIT 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 75% of retirees and 0% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 75% of retiree life insurance premiums.

Eligibility Criteria. To be eligible to continue coverage after retirement, an employee that was hired prior to 1/1/2011 must be at least 55 with 12 years of service. Employees hired 1/1/2011 and later are eligible for retirement at age 60 with 12 years of service. Spouses and dependents of retirees are eligible to stay on the plan.

Employees Covered by Benefit Terms. At June 30, 2023, 30 active and retired employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	6
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>24</u>
Total	<u><u>30</u></u>

Total OPEB Liability

The Clerk of Court’s total other postemployment benefits liability of \$873,800 was measured as of June 30, 2023 and was determined by an actuarial valuation as January 1, 2022.

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

Inflation: 2.40%

Salary Increases, including inflation: 3.25%

Discount Rate: 3.86%

Health Care Cost Trend Rates

- Medical: 6.25% for 2023, decreasing 0.25% per year to an ultimate rate of 5.0% for 2028 and later years.
- Medicare Advantage: 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: 3.0% annual trend
- Vision: 2.5% annual trend

Retirees' Share of Benefit-Related Costs:

- Medical: 25% for retirees and 100% for dependents.
- Medicare Supplement: 25% for retirees and 100% for dependents.
- Dental: 25% for retirees and 100% for dependents.
- Vision: 25% for retirees and 100% for dependents.
- Basic Life Insurance: 25%

The discount rate was based on the 6/30/2023 Fidelity General Obligation AA 20-Year Yield. Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2021 for males or females, as appropriate. Mortality rates for retired employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2021 for males or females, as appropriate. The actuarial assumptions used in the valuation were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 6/30/2022	\$948,745
Changes for the year:	
Service Cost	36,182
Interest	35,874
Differences between expected and actual experience	(15,063)
Changes in Assumptions/Inputs	(106,474)
Change in Benefit Terms	-
Benefit payments	(25,464)
Administrative Expense	-
Net Changes	(74,945)
Balance at 6/30/2023	\$873,800

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB Liability	\$ 968,001	\$ 873,800	\$ 764,877

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 782,787	\$ 873,800	\$ 986,161

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

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

For the year ended June 30, 2023, the Clerk recognized an OPEB expense of (\$19,508). The Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deffered Outflows of Resources</u>	<u>Deffered Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 303,763
Changes of assumptions or other inputs	75,807	345,441
Total	<u>\$ 75,807</u>	<u>\$ 649,204</u>

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

Year Ended June 30:	
2024	(91,564)
2025	(91,564)
2026	(89,612)
2027	(90,124)
2028	(90,124)
Thereafter	(120,408)

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities of the Clerk of Court at June 30, 2023:

Net Pension Liability	\$ 2,354,661
OPEB Obligation	<u>873,800</u>
Total Long-term Liabilities	<u><u>\$ 3,228,461</u></u>

NOTE 7: DEFERRED COMPENSATION PLAN

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

Participants can contribute up to a maximum of 100% of compensation, not to exceed \$18,000 beginning in the 2015 calendar year. Additionally, if age 50 or older, participants may elect the Age 50+ provision to defer an additional \$6,000 beginning in 2015 above the annual deferral limit.

The Clerk of Court agreed to match each participant's contribution up to a maximum of 6% for the year ended June 30, 2023. The Clerk of Court made contributions on behalf of the employees for the year ended June 30, 2023. Withdrawals from the plan occur at retirement, separation from service, death, or proven financial hardship (unforeseeable emergency as defined by the Plan).

NOTE 8: LEASES

The Clerk of Court leases copiers and other office equipment from WJS Enterprises, Inc. The four-year lease will expire in July 2024. At July 1, 2023, the initial application date, the remaining lease term was twelve (12) months or less and classified as a short-term lease per the Clerk's lease policy. In accordance with that policy and GASB 87, *Leases*, the Clerk of Court did not recognize a right-of-use lease asset or lease liability on the balance sheet. At June 30, 2023, equipment rental expenses totaled \$9,718.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: INTERFUND ASSETS/LIABILITIES

At June 30, 2023, the general fund recorded a balance due from the Eastbank expense fund totaling \$362,449 and the Eastbank expense fund recorded a balance due to the General fund for the same amount. There were no adjustments necessary.

NOTE 10: EXPENDITURES PAID BY THE ST. JOHN THE BAPTIST PARISH COUNCIL

The Clerk of Court's office is in the Parish courthouse. The expenditures for maintenance and operation of the Parish courthouse are paid by the St. John the Baptist Parish Council and are not included in the accompanying financial statements. The amount of these expenditures paid by the Parish Council is indeterminate.

NOTE 11: LOUISIANA LEGISLATIVE AUDITOR INVESTIGATION

The Louisiana Legislative Auditor initiated an investigation related to the financial activities of the St. John the Baptist Clerk of Court. The investigation was not completed at the date this audit report was issued to the Clerk of Court. Accordingly, the effects of the findings resulting from the investigation may not be reflected in this audit report.

NOTE 12: NET POSITION ADJUSTMENT

The Clerk of Court made a (\$21,096) net position adjustment related to cumulative changes in the pension liability from prior years.

NOTE 13: SUBSEQUENT EVENTS

Management evaluated subsequent events as of May 31, 2024, which is the date of the audit report. Management determined that there are no additional disclosures or adjustments required to these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

Revenues	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Licenses and permits	\$ 8,200	\$ 4,230	\$ 3,970
Fees, Charges, and Commissions:			
Court Costs, Fees, and Charges	1,205,000	1,045,845	159,155
Recording Legal Documents	487,200	575,413	(88,213)
Certified Copies	28,000	51,650	(23,650)
Intergovernmental Revenues:			
Due from Other Governments	115,000	47,241	67,759
Other Intergovernmental Revenues	125,000	217,938	(92,938)
Interest	26,500	15,650	10,850
Total Revenues	<u>1,994,900</u>	<u>1,957,967</u>	<u>36,933</u>
Expenditures			
Current:			
General Government:			
Personnel Salaries and Related Benefits	1,785,575	1,738,813	46,762
Operating Services	386,500	292,943	93,557
Materials and Supplies	60,500	44,869	15,631
Capital Outlay	25,000	-	25,000
Total Expenses	<u>2,257,575</u>	<u>2,076,625</u>	<u>180,950</u>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
EASTBANK EXPENSE FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

Revenues	Original Budget	Actual	Variance with Budget
Fees, Charges, and Commissions:			
Court Costs, Fees, and Charges	\$ 148,000	\$ 65,871	\$ 82,129
Interest	25	6	19
Total Revenues	<u>148,025</u>	<u>65,877</u>	<u>82,148</u>
Expenditures			
Current:			
General Government:			
Personnel Salaries and Related Benefits	75,000	176,765	(101,765)
Operating Services	-	18	(18)
Total Expenses	<u>75,000</u>	<u>176,783</u>	<u>(101,783)</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Clerk of Court's Proportion of the Net Pension Liability (Asset)	1.09456%	1.05315%	1.07194%	1.06369%	1.01567%	Not Available	1.04739%	1.06168%	1.06610%
Clerk of Court's Proportionate Share of the Net Pension Liability (Asset)	2,354,661	2,552,594	1,425,934	2,559,600	1,844,445	Not Available	1,937,648	1,592,559	1,438,020
Clerk of Court's Covered-Employee Payroll	1,199,920	1,105,056	1,132,438	1,060,611	1,563,529	Not Available	951,753	963,786	942,173
Clerk of Court's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	196.23%	230.99%	125.92%	241.33%	117.97%	Not Available	203.59%	165.24%	152.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.56%	74.09%	72.09%	72.09%	54.48%	Not Available	74.17%	78.13%	79.37%

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually Required Contribution	\$ 258,817	\$ 239,897	\$ 227,204	\$ 200,433	\$ 187,759	Not Available	\$ 181,884	\$ 180,833	\$ 183,119
Contributions in Relation to the Contractually Required Contribution	258,817	239,897	227,204	200,433	187,759	Not Available	181,884	180,833	183,119
Contribution Deficiency/(Excess)	-	-	-	-	-	Not Available	-	-	-
Covered-Employee Payroll	1,199,920	1,105,056	1,132,438	1,060,611	1,034,909	Not Available	957,284	951,753	963,786
Contributions as a Percentage of Covered-Employee Payroll	21.57%	21.71%	20.06%	18.90%	18.14%	Not Available	19.00%	19.00%	19.00%

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Budgets for the General Fund and Eastbank Expense Special Revenue Fund are legally adopted by the Clerk of Court on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2: NET PENSION LIABILITY

Changes of Benefit Terms

There were no changes in benefit terms for the three valuation years ended June 30, 2023.

Changes of Assumptions

For the actuarial valuation for the year ended June 30, 2023, the discount rate was reported at 6.55%, the salary increase assumption remained constant at 5% for employees at five or more years, and the inflation assumption was reported at 2.40%.

NOTE 3: AGENCY FUNDS

Advance Deposit Fund - accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund - accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Criminal Juror Fund - accounts for funds from the Parish for criminal court proceedings pending court actions.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, 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, each major fund, and the aggregate remaining fund information of the Clerk of Court for St. John the Baptist Parish, Louisiana (Clerk of Court), as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Clerk of Court's basic financial statements and have issued our report thereon dated May 31, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Finding # 2023-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding # 2023-02.

Clerk of Court's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
May 31, 2024

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SUMMARY OF AUDITOR'S RESULTS
JUNE 30, 2023**

Section I – Summary of Auditor's Results

Financial Statements

An unqualified opinion was issued on the financial statements of the auditee.

Internal control over financial reporting:

Material weakness(es) identified Yes No

Significant deficiency(s) identified
not considered to be material weaknesses Yes None Reported

Noncompliance material to financial statements noted Yes No

Federal Awards

The Clerk of Court did not receive federal awards in excess of \$750,000 during the year ended June 30, 2023, and, therefore, is exempt from the audit requirements under the Uniform Guidance.

No separate management letter issued.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2023**

FINDING# 2023-01 BANK RECONCILIATION PROCEDURES NOT ADEQUATE

CRITERIA:

Governmental Accounting best practices state that bank reconciliations should be prepared within 30 days of receiving the bank statement from the financial institution. As part of the reconciliation, the preparer should consider whether (1) all receipts and disbursements are recorded by the entity; (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger balance. Any differences between the bank balances and accounting records should be immediately researched and resolved. Any adjustments to the accounting records should be recorded by someone other than the employee performing the bank reconciliation. Once the reconciliation is prepared and reviewed, the preparer and reviewer should sign/initial and date.

CONDITION:

The Clerk's office bank reconciliation procedures were not adequate. During our audit we noted the following exceptions:

- a. The reconciliations were not prepared in a timely manner; Monthly bank reconciliations for cash accounts in the General Fund, Advance Deposit Fund, Criminal Jury Fund, Registry Fund, and Eastbank Fund were not reconciled until February 2024.

CAUSE:

The Clerk's accounting procedures did not include timely preparation of bank reconciliations.

EFFECT:

The errors or irregularities could occur related to cash transactions and not be detected on a timely basis.

RECOMMENDATION:

We recommend that bank reconciliations be completed on a monthly basis and supervisory approvals be performed and documented, to ensure that any discrepancies are reconciled and corrected timely.

MANAGEMENT'S RESPONSE:

Management has established a monitoring system to ensure the timely completion and approval of bank reconciliations, and hired new accountants who will reconcile cash accounts on a monthly basis. Reconciliations will be reviewed and approved by the Clerk.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2023**

FINDING# 2023-02 TIMELY SUBMISSION OF AUDIT REPORT

CRITERIA:

Louisiana Revised Statute 24:513, requires local auditees to submit audit report to the Louisiana Legislative Auditor (LLA) not later than six months after the local auditee's fiscal year end.

CONDITION:

The Clerk of Court did not submit its audit report within the required regulatory period.

CAUSE:

The Clerk did not have an effective system of general accounting and financial reporting which contributed to the delinquencies in independent audit completion.

EFFECT:

The Clerk of Court was not in compliance with Louisiana Revised Statute 24:513.

RECOMMENDATION:

The Clerk of Court should submit audit reports to the LLA within the statutory guidelines.

MANAGEMENT RESPONSE:

Management experienced disruptions during the previous year's audit that caused delays in the current audit process. Management has hired new accountants and engaged an independent auditor for the 2024 engagement. Management intends to provide requested audit data timely in order to meet the submission deadline established by Louisiana Revised Statute 24:513.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2023**

<u>Finding#</u>	<u>Description</u>	<u>Type</u>	<u>Status</u>
2022-01	Bank Reconciliation Procedures Not Adequate	Material Weakness	Unresolved
2022-02	Timely Submission of Audit Report	Noncompliance	Unresolved

OTHER INFORMATION

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF CHANGES IN FIDUCIARY LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Advance Deposit Fund</u>	<u>Registry Fund</u>	<u>Criminal Juror Fund</u>	<u>Total</u>
ADDITIONS:				
Due to Litigants and Others	\$ 3,190,548	\$ 18,652	\$ 22,044	\$ 3,231,244
Total Additions	<u>3,190,548</u>	<u>18,652</u>	<u>22,044</u>	<u>3,231,244</u>
REDUCTIONS:				
Due to Litigants and Others	(2,938,025)	(635,661)	(24,075)	(3,597,761)
Total Reductions	<u>(2,938,025)</u>	<u>(635,661)</u>	<u>(24,075)</u>	<u>(3,597,761)</u>
Changes in Fiduciary Liabilities	<u>252,523</u>	<u>(617,009)</u>	<u>(2,031)</u>	<u>(366,517)</u>
Beginning Balance of Liabilities	<u>5,620,814</u>	<u>1,468,659</u>	<u>17,788</u>	<u>7,107,261</u>
Ending Balance of Liabilities	<u><u>\$ 5,873,337</u></u>	<u><u>\$ 851,650</u></u>	<u><u>\$ 15,757</u></u>	<u><u>\$ 6,740,744</u></u>

The accompanying notes are an integral part of these financial statements.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
 EDGARD, LOUISIANA
 SCHEDULE OF COMPENSATION, PAYMENTS, AND OTHER
 BENEFITS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Agency Head Name: Eliana DeFrancesch, Clerk of Court

Purpose	Amount
Salary	149,913
Benefits-insurance	12,820
Benefits-retirement	33,301
Benefits-other	3,603
Car allowance	2,100
Vehicle provided by government	-
Dues	260
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses*	-
Special meals	-
Total	\$201,997



Luther Speight & Company, LLC
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ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEWIDE AGREED UPON PROCEDURES REPORT
FOR THE YEAR ENDED JUNE 30, 2023



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To St. John the Baptist Parish Clerk of Court
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by St. John the Baptist Parish Clerk of Court and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are 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 (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Results: *The written policies and procedures appropriately address the required elements above.*

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA 70163/ (504)561-8600
Memphis Office: 1661 International Drive, Suite 441/Memphis, TN 38120/ (901)202-4688
Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

- 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).

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

- 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 (e.g., determining the reasonableness of fuel card purchases)

Results: The written policies and procedures appropriately address the required elements above.

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

Results: *The written policies and procedures appropriately address the required elements above.*

- 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.

Results: *The written policies and procedures appropriately address the required elements above.*

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

Results: *Not applicable to the Entity.*

- k) **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.

Results: *No information regarding identification of critical data and frequency of data backups, storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event noted in the written policies and procedures PBC document or the Employee Handbook.*

Management's Response: *Critical Data is not stored on computers. Back-ups are performed every night. All back-ups are off-site in three locations. Period testing is performed every two weeks to confirm that back-ups can be restored. Monitoring is performed by (UDI), who also assists with the back-ups. If a critical event occurs, the I.T. Manager will consult with UDI who will assist with resolution. There have been no instances of a critical event as of June 30, 2023. Periodic manual backups of QuickBooks Desktop are performed weekly.*

- 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: *The employee policy handbook appropriately addresses the required elements above.*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- 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.

Results: *Not applicable to Entity.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results: *Not applicable to Entity.*

- 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: *Not applicable, as the unassigned fund balance in the General Fund in the prior year was positive.*

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: *Not applicable to Entity.*

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:

Results: We obtained a list of bank accounts and management's representation that the list is complete. We selected the month of June 2023 for the testing below.

- 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);

Results: We reviewed the bank reconciliations in the Clerk's office and observed that they included evidence that they were reviewed and approved, but not within two months of the related statement closing dates. The 2023 bank balances were not reconciled until February 2024.

Management's Response: The initial bank reconciliations were reviewed and approved in 2023 when our previous accountant was working with us. Those files remain with him. Our current accountants had to redo the bank reconciliations for 2023, which is the reason why they were approved and signed in February 2024.

- 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

Results: All bank reconciliations observed included proper evidence of the Clerk's approval. No exceptions noted.

- 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: We noted no reconciling items that have been outstanding for more than twelve months from year-end.

Collections

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).

Results: We obtained a listing of deposit sites for the fiscal year ended June 30, 2023, and management's representation that the listing is complete. The deposit sites are as follows:

St. John Clerk of Court Office, 2393 Highway 18, Edgard, Louisiana 70049

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 responsible for cash collections do not share cash drawers/registers.
Results: We noted that the policy and procedure manual does not state that employees should 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/official verifies the reconciliation.

Results: We obtained a listing of collection locations per the deposit site, and obtained management's representation that the listing is complete. There is only one collection location. Employees who are responsible for cash collections do not share cash drawers, as monitored by the Clerk. The Chief Deputy Clerk is responsible for all deposits, which occur daily at the end of the day. Employees who collect cash do not post collection entries to the general ledger or subsidiary ledgers; the Staff Accountant performs all entries to the accounting system. The employee responsible for reconciling cash collections is not responsible for collecting cash.

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

Results: We obtained a copy of the bond policy for theft covering all employees who have access to cash. The policy was enforced during the fiscal year.

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

- 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 the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: We selected two deposit dates for each of the four General Fund bank accounts. We were able to trace the deposits to the bank statements and the general ledger detail. We noted deposits were made within one business day, per the Clerk's policies and procedures. Receipts were sequentially pre-numbered and were able to be traced to system reports and the deposit slips. The Entity's collections were supported by proper documentation. No exceptions were noted.

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).

Results: We obtained a listing of locations that process payments for the fiscal year ended June 30, 2023 and management's representation that the listing is complete. Payments are processed at the following location:

St. John Clerk of Court Office, 2393 Highway 18, Edgard, Louisiana 70049

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

Results: We obtained a listing of the employees involved and the written policies and procedures relating to employee job duties at the location mentioned above and observed that the job duties are properly segregated among the Clerk, Chief Deputies, and other staff. We also observed that only employees/officials authorized to sign checks approved electronic disbursements of funds. No exceptions were noted.

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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: We obtained the Entity's non-payroll disbursement transaction population, and management's representation that the population is complete. We randomly selected five disbursements for one location and obtained supporting documentation for each transaction. We observed that the disbursements matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Entity. No exceptions were noted.

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

Results: We performed the procedures above for 5 non-payroll-related electronic disbursements observe that each transaction was approved by only those authorized to disburse funds per the entity's policies and procedures. We noted no exceptions.

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

12. 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.

Results: We obtained a listing of all active cards, which consist of one AMEX credit card. The listing, represented as complete by management.

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

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

Results: We selected the AMEX credit card for testing and selected the month of March 2023 for further review. There is evidence that monthly statements and supporting documentation were reviewed and approved by someone other than the authorized card holder. There were no finance charges assessed on the selected statements.

14. 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 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: We randomly selected 9 transactions from the AMEX credit card statement and obtained supporting documentation. Each transaction was supported by itemized receipts and documentation supporting the business purpose of the transactions. We noted no exceptions.

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

15. 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, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We obtained a listing of all travel and travel-related expense reimbursements during the fiscal year ended June 30, 2023, and management's representation that the listing is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms, as well as supporting documentation. The approved reimbursement rate is in line with those established by the State of Louisiana. Reimbursements for purchases were supported by itemized receipts and identify what was purchased. All reimbursements were supported by documentation for business/public purposes. Each reimbursement contained evidence that it was reviewed and approved by management and the Clerk.

Contracts

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

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether 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 the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- 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 the invoice and related payment agreed to the terms and conditions of the contract.

Results: There were no new or renewed agreements or contracts initiated for professional services, material and supplies, leases, or construction activities during the fiscal year ended June 30, 2023.

Payroll and Personnel

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

Results: We selected a sample of five employees and agreed paid salaries to authorized salaries/pay rates in the personnel files. We noted no exceptions.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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

Results: We selected the pay period ending December 25, 2022 for additional testing. We observed that all employees documented their daily time and attendance for the pay period selected. Supervisors approved the attendance and leave of the selected employees, which was documented by initials, signatures, and dates of approval. Any leave that was taken by an employee was documented in the cumulative leave records maintained by the Deputy Clerk. We also observed rates paid to the employees agree to the authorized salary/pay rates found within the personnel files. We noted no exceptions.

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

Results: Management confirmed that there were 2 employees terminated during the fiscal year ended June 30, 2023, but neither received termination payments.

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

Results: We obtained management's representation that all employer and employee portions of third-party payroll and related amounts have been paid, and any associated forms have been filed by the required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: We obtained ethics documentation from management and observed that each employee completed one hour of ethics training during the fiscal year ended June 30, 2023. We received each employee's ethics training certificate which was signed by the Clerk. There were no changes to the Entity's ethics policy during the year.

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

Results: The Agency has appointed the Clerk of Court as the ethics designee.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Results: Not applicable to the Entity.

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

Results: Not applicable to the Entity.

Fraud Notice

25. 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.

Results: Management confirmed there were no misappropriations of public funds and assets during the fiscal year ended June 30, 2023.

26. 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: We noted the Entity has the required notice posted in the Clerk's office and on the website. No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

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

Results: We performed the following procedures 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.

Results: The I.T. Manager provided back-up documentation for its critical data, which occurred within the past week. Back-ups are stored in numerous locations, including a cloud accessible to the I.T. Manager and software administrator.

- 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.

Results: The I.T. Manager demonstrated that its backups can be restored. We observed evidence that the test/verification was successfully performed within the past three 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 observed five employees' computers and noted that the anti-virus software Sentine One was installed on each computer. The operating and accounting systems in use are currently supported by the vendor.

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

Results: We performed the procedures above for terminated employees and noted no exceptions. We observed that the terminated employees were removed from the network.

Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: We obtained the sexual harassment training documentation from management for each of the five employees and observed that they all completed at least one hour of sexual harassment training during the calendar year.

30. Observe 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).

Results: The Entity’s sexual harassment policy and complaint procedure are posted in the main office of the Clerk of Court. The policy and complaint procedures are also documented in the Employee Policy Handbook.

31. 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 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: 27; 100%
- b) Number of sexual harassment complaints received by the agency: 0
- c) Number of complaints which resulted in a finding that sexual harassment occurred: 0
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action: 0
- e) Amount of time it took to resolve each complaint: N/A

We were engaged by St. John the Baptist Parish Clerk of Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
May 31, 2024