

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022**

**CADDO PARISH CLERK OF COURT  
Shreveport, Louisiana**

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**CADDO PARISH CLERK OF COURT  
Shreveport, Louisiana**

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### INDEPENDENT AUDITOR'S REPORT

The Honorable Mike Spence  
Caddo Parish Clerk of Court  
Shreveport, Louisiana

#### Report on the Audit of the Financial Statements

##### Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and each fiduciary fund type of the of the Caddo Parish Clerk of Court (Clerk of Court), Shreveport, Louisiana, as of and for the year ended June 30, 2022, 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 and the general fund of the Caddo Parish Clerk of Court, as of June 30, 2022, and the respective changes in financial position thereof 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 (GAAS) 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.

##### Responsibilities of Management for the Financial Statements

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

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 Responsibility 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk 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, that 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 information listed in the table of contents as Required Supplemental Information Part I and Part II 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 Required Supplementary Information Part I 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.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caddo Parish Clerk of Court's basic financial statements. The supplementary information, listed in the table of contents as Other Supplemental Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information and the Required Supplemental Information Part II are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 November 10, 2022, on our consideration of the Caddo Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the Caddo Parish Clerk of Court's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated November 10, 2022, on the results of our state-wide agree-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state-wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
November 10, 2022

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

**CADDO PARISH CLERK OF COURT**  
Shreveport, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Caddo Parish Clerk of Court, Shreveport, Louisiana, (hereafter referred to as the Clerk of Court) we offer the readers of the Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Clerk of Court as of and for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Clerk of Court's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

**FINANCIAL HIGHLIGHTS**

At June 30, 2022, the total liabilities and deferred inflows of resources of the Clerk of Court exceeded the total assets and deferred outflows of resources with a deficit of \$27,088,750 (net position) a decrease in the deficit of \$699,625 compared to the prior year's ending net position deficit of \$27,788,375, as restated.

Net pension liability decreased \$3,829,972 (43.27%) from \$8,851,741 at June 30, 2021, to \$5,021,769 at June 30, 2022.

Other postemployment obligations decreased by \$3,154,281 (12.87%). The unfunded liability decreased from \$24,517,141 for year ended June 30, 2021 to \$21,362,860 at June 30, 2022.

Total revenues for the year ended June 30, 2022, increased 2.82% (\$309,827). The Clerk of Court's total general and program revenues were \$11,314,103 during the year ended June 30, 2022, compared to \$11,004,276 during year ended June 30, 2021.

During the year ended June 30, 2022, the Clerk of Court's total expenses, excluding depreciation and amortization, were \$10,343,763, compared to \$11,074,753 during year ended June 30, 2021. Depreciation expense was \$265,980 in 2022 and \$309,425 in 2021. Amortization expense was \$4,736 in 2022 and \$0 in 2021.

During the year ended June 30, 2022, it was determined that a liability should have been accrued as of June 30, 2021 for a personnel policy change effective in January 2021. This change required a restatement of the prior period net position. Additionally, a revision was made to current assets resulting from an error in the prior period. The restatement reduced net position as of June 30, 2021, from a deficit of \$27,493,646 to \$27,788,375, a deficit increase of \$294,729.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Clerk of Court's basic financial statements. The Clerk of Court's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information in addition to the basic financial statements. These components are described below:

**Government-wide Financial Statements**

The government-wide financial statements provide a broad view of the Clerk of Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Clerk of Court's financial position, which assists users in assessing the Clerk of Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets of the Clerk of Court as well as all liabilities. The government-wide financial statements include two statements:



- **The *statement of net position*** presents all of the Clerk of Court's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Clerk of Court's net position may serve as a useful indicator of whether the financial position of the Clerk of Court is improving or deteriorating.
- **The *statement of activities*** presents information showing how the Clerk of Court's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

The government-wide financial statements can be found immediately following this discussion and analysis.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The funds of the Clerk of Court can be divided into two categories; governmental funds and fiduciary funds.

- ***Governmental funds.*** The services provided by the Clerk of Court are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Clerk of Court's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Clerk of Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Clerk of Court.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Clerk of Court's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Clerk of Court has one governmental fund, the General Fund (*Salary Fund*), which is classified as a major fund.

- ***Fiduciary funds.*** Fiduciary funds, which consist solely of custodial funds, are used to account for resources held for the benefit of parties outside of the government. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Clerk of Court's fiduciary activities are reported in a statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary fund financial statements are presented as part of the basic financial statements in this report. The fiduciary funds use the accrual basis of accounting.

## **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the governmental fund financial statements.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balance for budgetary purposes and the fund balance of the General Fund as presented in the governmental fund financial statements. Additionally, this section includes information about employee and retiree health and pension benefits. Following the required supplementary information is other supplementary information that is provided to show additional details.

### **Other Supplementary Information**

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3). The justice system funding reporting schedules are presented to fulfill the requirements of Louisiana Revised Statute 24:515.2.

## **FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES**

### ***Net Position***

Net position may serve over time as a useful indicator of the Clerk of Court's financial position. As of June 30, 2022, the Clerk of Court's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources for a deficit of \$27,088,750. Comparatively, as of the June 30, 2021, the Clerk of Court's financial statements report that liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$27,788,375, as restated. These deficits in net position are caused primarily by the adoption of GASB 68 and 71 requiring recognition of the Clerk of Court's net pension liability and the adoption of GASB 75 increasing other postemployment obligations.

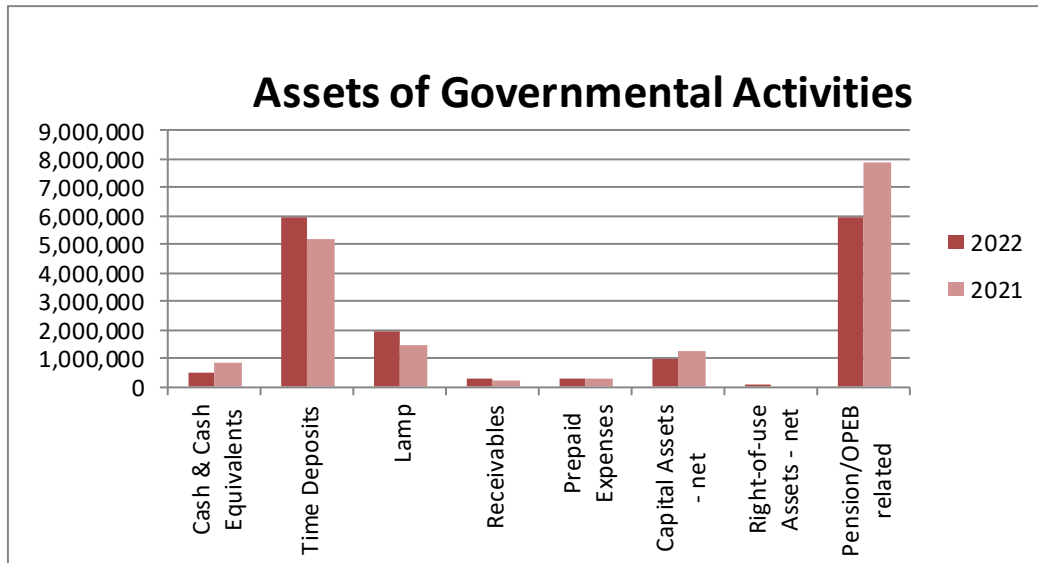
The Clerk of Court continues to maintain a high level of liquidity. \$485,337 is deposited in demand deposit accounts as of June 30, 2022, compared to \$783,898 in the prior year. \$5,925,000 is invested in short-term (maturities of one year or less) certificates of deposit with various financial institutions as of June 30, 2022, compared to \$5,175,000 in the prior year. The Clerk of Court also has deposits with the Louisiana Asset Management Pool, Inc. totaling \$1,975,000 as of June 30, 2022, compared to similar deposits of \$1,475,000 in the prior year. This is a total of \$7,900,000 in investments as of June 30, 2022, compared to \$6,650,000 for the prior year. Deposits with the Louisiana Asset Management Pool, Inc. may be withdrawn at any time without penalty. The Clerk of Court had combined cash, interest bearing deposits, and investments of \$8,385,337 and \$7,436,098 at June 30, 2022 and 2021, respectively.

At June 30, 2022, \$984,031 of the of the Clerk of Court's net position reflects capital assets with a historical cost of \$3,221,025 and accumulated depreciation of \$2,236,994 compared to \$1,227,614 of net position for the prior year with a historical cost of \$4,143,905 and accumulated depreciation of \$2,916,291.

The remaining net position is unrestricted and may be used to meet the Clerk's ongoing obligations to the citizens of Caddo Parish. As of June 30, 2022, the Clerk of Court had a deficit unrestricted net position.

Caddo Parish Clerk of Court's Statement of Net Position

	2022	2021 (Restated)
<b>Assets:</b>		
Current assets	\$ 1,069,145	\$ 1,350,675
Investments	7,900,000	6,650,000
Capital assets, net	984,031	1,227,614
Right-of-use assets, net	16,574	-
Total assets	9,969,750	9,228,289
<b>Deferred Outflows of Resources:</b>		
Pension related	2,374,493	3,870,322
OPEB related	3,587,769	4,034,687
Total assets and deferred outflows of resources	\$ 15,932,012	\$ 17,133,298
<b>Liabilities:</b>		
Current liabilities	\$ 454,832	\$ 413,514
<b>Long-term liabilities outstanding</b>		
Accrued compensated absences	483,676	372,417
Net pension liability	5,021,769	8,851,741
Other postemployment obligations	21,362,860	24,517,141
Total liabilities	27,323,137	34,154,813
<b>Deferred Inflows of Resources</b>		
Pension related	2,473,537	333,728
OPEB related	13,224,088	10,433,132
	15,697,625	10,766,860
<b>Net Position</b>		
Net investment in capital assets	984,031	1,227,614
Net investment in right-of-use assets	16,574	-
Unrestricted	(28,089,355)	(29,015,989)
Total net position (deficit)	(27,088,750)	(27,788,375)
Total liabilities, deferred inflows of resources, and net position	\$ 15,932,012	\$ 17,133,298



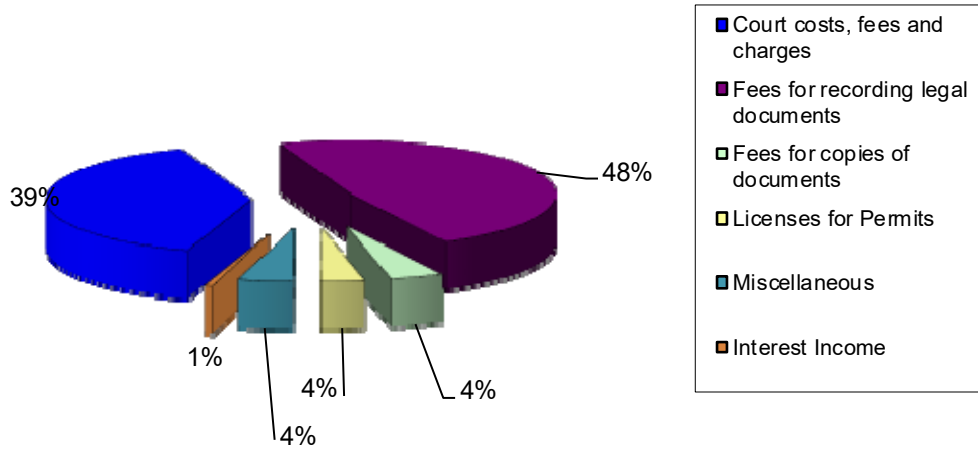
### Changes in Net Position

The Clerk of Court's net position increased by \$699,625 or 2.52% during the year ended June 30, 2022, compared to a decrease of \$379,902 or 1.38% during the prior year. Approximately 95.34% (\$10,786,656) of the Clerk of Court's total revenues were derived through charges for services and licenses and permits in 2022 compared to 95.04% (\$10,458,268) in 2021. Expenses incurred by the Clerk of Court are primarily for the provision of legal recordings of the First Judicial District, Caddo Parish, Louisiana. Approximately 80.22% (\$8,514,825) of the Clerk of Court's expenses are for salaries and related payroll taxes and employee benefits during the year ended June 30, 2022, compared to 82.01% (\$9,336,534) during the prior year. In 2022, Governmental activities program revenues exceeded program expenses by \$172,178.

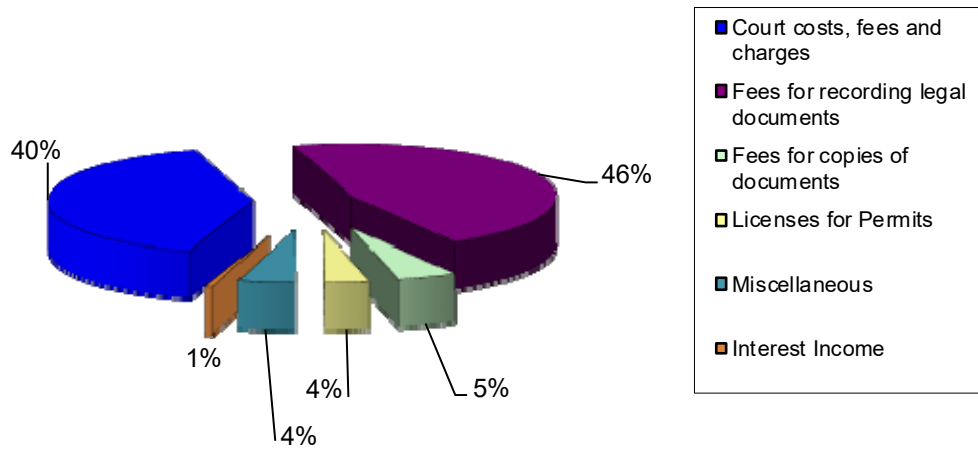
#### Caddo Parish Clerk of Court's Changes in Net Position Governmental Activities

	2022	2021
Revenues:		
Program revenues:		
Court costs, fees and charges	\$ 4,595,457	\$ 4,334,672
Fees for recording legal documents	5,246,043	5,285,781
Other charges for services	945,156	837,815
General revenues:		
Interest	66,474	69,485
Loss on sale of assets	(49,506)	-
Miscellaneous	510,479	476,523
Total Revenues	<u>11,314,103</u>	<u>11,004,276</u>
Expenses		
Judiciary	<u>10,614,478</u>	<u>11,384,178</u>
Increase (Decrease) in net position	<u>699,625</u>	<u>(379,902)</u>
Net position, beginning of year	(27,788,375)	(27,113,744)
Net position, adjustment	-	(294,729)
Net position, end of year	<u>\$ (27,088,750)</u>	<u>\$ (27,788,375)</u>

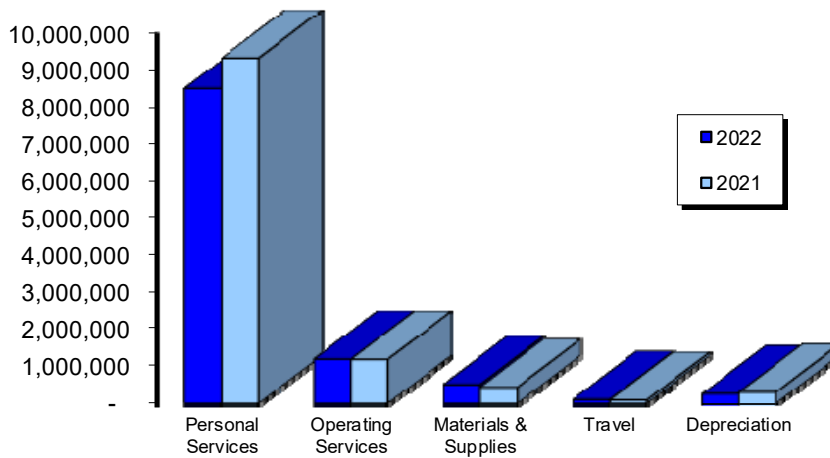
### Total 2021 Revenues of Governmental Activities



### Total 2022 Revenues of Governmental Activities



### Total Expenses of Governmental Activities



## **FINANCIAL ANALYSIS OF THE CLERK'S INDIVIDUAL FUNDS**

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

### ***Governmental Funds***

The focus of the Clerk of Court's governmental fund is to provide information on the 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 the Clerk of Court's net resources available for spending at the end of the year. As of the end of the year, the Clerk of Court's governmental fund (general fund) reported an ending fund balance of \$8,477,769, an increase of \$904,262 (11.94%) compared to the prior year fund balance of \$7,573,507, as restated.

The general fund is the operating fund of the Clerk of Court. A total of \$8,202,612 (96.75%) of the ending fund balance is unassigned and is available for spending in the coming year while \$275,157 (3.25%) is non-spendable and represents amounts expended for prepaid items. Additionally, as a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance of \$8,202,612, represents 82.17% of the total general fund expenditures (\$9,982,266) for the year ended.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Clerk of Court complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The Clerk of Court's budget was not amended during the year.

The actual expenditures were \$148,166 (1.51%) more than the amount originally budgeted and actual revenues were \$78,128 less (0.78%) than the final budgeted amounts.

### **CAPITAL ASSET ADMINISTRATION**

#### ***Capital Assets***

The Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2022, totaled \$3,221,025, net of accumulated depreciation of \$2,236,994, leaving a book value of \$984,031. This investment in capital assets consists of office equipment and furniture and fixtures.

Actual costs to purchase capital assets were \$71,903 in 2022 compared to \$700,272 during 2021.

The Clerk of Court completed a thorough review of capital asset inventories during the year. \$994,783 in asset disposals were booked for the year ending June 30, 2022. These disposals were primarily construction and renovation projects completed over the years dating back as far as 1983 that have subsequently been replaced and upgraded but not removed from the asset listing.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors were considered when the budget for the fiscal year ended June 30, 2023, was prepared:

- Revenues are expected to remain consistent with the prior year.
- Other expenditures are expected to remain consistent with the prior year.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances of the Caddo Parish Clerk of Court, Shreveport, Louisiana, and seeks to demonstrate the Clerk of Court's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Honorable Mike Spence, Clerk of Court for Caddo Parish, 501 Texas Street, Room 103, Shreveport, Louisiana, 71101-5408, or by calling (318) 226-6775.

## BASIC FINANCIAL STATEMENTS



**CADDO PARISH CLERK OF COURT**  
Shreveport, Louisiana

**GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION**  
June 30, 2022

	Governmental Funds Financial Statements		Adjustments	Government-wide Statements	
	<b>Balance Sheet</b>			<b>Statement of Net Position</b>	
	General Fund				
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$	485,337	\$	-	\$ 485,337
Investments		7,900,000		-	7,900,000
Receivables, net		272,107		-	272,107
Accrued interest		-		36,544	36,544
Prepaid expenses		275,157		-	275,157
Noncurrent assets:					
Capital assets, net of accumulated depreciation, (see note 4)		-		984,031	984,031
Right-of-use assets, net of accumulated amortization, (see note 7)		-		16,574	16,574
<b>TOTAL ASSETS</b>		<b>8,932,601</b>		<b>1,037,149</b>	<b>9,969,750</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB related		-		3,587,769	3,587,769
Pension related		-		2,374,493	2,374,493
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>		<b>-</b>		<b>5,962,262</b>	<b>5,962,262</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$	27,282		-	27,282
Unearned revenues		86,580		-	86,580
Salaries and benefits payable		206,651		-	206,651
Accrued compensated absences		134,319		-	134,319
Noncurrent liabilities:					
Accrued compensated absences		-		483,676	483,676
Other postemployment benefit obligations		-		21,362,860	21,362,860
Net pension liability		-		5,021,769	5,021,769
<b>TOTAL LIABILITIES</b>		<b>454,832</b>		<b>26,868,305</b>	<b>27,323,137</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB related		-		13,224,088	13,224,088
Pension related		-		2,473,537	2,473,537
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>-</b>		<b>15,697,625</b>	<b>15,697,625</b>
<b>FUND BALANCE/NET POSITION</b>					
Fund Balances:					
Nonspendable:					
Prepaid expenses		275,157		(275,157)	-
Unassigned		8,202,612		(8,202,612)	-
<b>TOTAL FUND BALANCES</b>		<b>8,477,769</b>		<b>(8,477,769)</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$	<b>8,932,601</b>		<b>34,088,161</b>	
Net Position:					
Net investment in capital assets				984,031	984,031
Net investment in right of use assets				16,574	16,574
Unrestricted				(28,089,355)	(28,089,355)
<b>TOTAL NET POSITION</b>			\$	<b>-</b>	\$ <b>(27,088,750)</b>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT**  
 Shreveport, Louisiana  
**Reconciliation of Fund Balance on the Balance Sheet for Governmental Funds to  
 Net Position of Governmental Activities on the Statement of Net Position**  
 June 30, 2022

<b>Fund Balance - Governmental Fund</b>		\$ 8,477,769
Amounts reported for governmental activities in the statement of net position are different because:		
In the governmental fund, interest income on time deposits is recognized when the time deposits have matured and the income is available. In the government-wide statements, interest income is recognized as it is earned.		
		36,544
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Add - Capital assets	3,221,025	
Deduct - Accumulated depreciation	(2,236,994)	984,031
Right-of-use assets for equipment used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
		16,574
Certain deferred outflows are reported in the governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred outflows-OPEB		3,587,769
Deferred outflows-pension related		2,374,493
Long-term liabilities are not due and payable on the current period, and therefore, are not reported in the governmental fund:		
Other postemployment obligations liability		(21,362,860)
Accrued compensated absences		(483,676)
Deferred inflows-OPEB		(13,224,088)
Deferred inflows-pension related		(2,473,537)
Net pension liability		(5,021,769)
<b>Total Net Position of Governmental Activities</b>		<b>\$ <u>(27,088,750)</u></b>

The notes to the financial statements are an integral part of this statement.  
 See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT**  
Shreveport, Louisiana

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /  
STATEMENT OF ACTIVITIES**

For the year ended June 30, 2022

	Governmental Funds Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balance	Adjustments	Government-wide Statements Statement of Activities
	General Fund		
<b>EXPENDITURES/EXPENSES</b>			
Judiciary:			
Personnel services & related benefits	\$ 8,060,116	\$ 454,709	\$ 8,514,825
Operating expenses	1,201,906	-	1,201,906
Material & supplies	518,600	-	518,600
Travel & other charges	108,431	-	108,431
Capital outlays	93,213	(93,213)	-
Depreciation	-	265,980	265,980
Amortization	-	4,736	4,736
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>9,982,266</b>	<b>632,212</b>	<b>10,614,478</b>
<b>PROGRAM REVENUES</b>			
Charges for service:			
Court costs, fees and charges	4,595,457	-	4,595,457
Fees for recording legal documents	5,246,043	-	5,246,043
Fees for copies of documents	535,127	-	535,127
Licences and permits	410,029	-	410,029
<b>TOTAL PROGRAM REVENUES</b>	<b>10,786,656</b>	<b>-</b>	<b>10,786,656</b>
<b>NET PROGRAM EXPENSE</b>	<b>804,390</b>	<b>(632,212)</b>	<b>172,178</b>
<b>GENERAL REVENUES</b>			
Miscellaneous income	56,287	454,192	510,479
Use of money and property - interest	43,585	22,889	66,474
<b>TOTAL GENERAL REVENUES</b>	<b>99,872</b>	<b>477,081</b>	<b>576,953</b>
<b>NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION</b>	<b>904,262</b>	<b>(155,131)</b>	<b>749,131</b>
<b>Other financing sources(uses):</b>			
Sale of assets/ Gain (loss) on sale of assets	-	(49,506)	(49,506)
<b>EXCESS (Deficiency) of REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES) / CHANGE IN NET ASSETS</b>	<b>904,262</b>	<b>(204,637)</b>	<b>699,625</b>
<b>FUND BALANCE / NET POSITION</b>			
Beginning of the year	7,495,819		(27,493,646)
Prior period adjustment	77,688		(294,729)
End of the year	<u>\$ 8,477,769</u>		<u>\$ (27,088,750)</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT**  
 Shreveport, Louisiana  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
 Fund Balance of the Governmental Fund to the Statement of Activities**  
 For the year ended June 30, 2022

<b>Net change in Fund Balance - Governmental Fund</b>	\$	904,262
<p>Governmental funds report interest income on time deposits when the time deposits have matured and the income is available. However, in the statement of activities the amount of the accrued interest is reported as revenue.</p>		
Increase (decrease) in accrued interest		22,889
<p>Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of the assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense. Therefore, capital expenditures are not recorded in the statement of activities.</p>		
Capital outlays		93,213
Depreciation		(265,980)
<p>In the Statement of Activities, the loss on the disposal of fixed assets is reported; whereas, in the governmental funds, the proceeds from the disposal increase financial resources.</p>		
Gain (Loss) on disposal of fixed assets		(49,506)
<p>Amortization expense on the Right of Use Assets is reported in the Government -wide financial statements, but does not require the use of current financial resources and is not reported in the fund financial statements.</p>		
Amortization		(4,736)
<p>Pension expenses not requiring the use of current economic resources are not recorded in the fund financial statements.</p>		
Non-employer contributions to cost-sharing pension plan		454,192
<p>In the Statement of Activities long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental fund statements.</p>		
Pension expense	\$	(259,858)
Other postemployment benefits		(83,593)
Long-term compensated absences		(111,258)
		(454,709)
<b>Net change in Net Position</b>	<b>\$</b>	<b>699,625</b>

The notes to the financial statements are an integral part of this statement.  
 See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

**Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2022**

	<u>Jury Cost Fund</u>	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Court Reporter Fund</u>	<u>Total</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 255,157	\$ 293,950	\$ 21,999,537	\$ 657,571	\$ 23,206,215
Investments	2,335,000	3,800,000	-	-	6,135,000
Other financial instruments	-	6,012	32,174	-	38,186
<b>Total Assets</b>	<u>\$ 2,590,157</u>	<u>\$ 4,099,962</u>	<u>\$ 22,031,711</u>	<u>\$ 657,571</u>	<u>\$ 29,379,401</u>
<b>Net Position</b>					
Fiduciary net position - held for others	<u>\$ 2,590,157</u>	<u>\$ 4,099,962</u>	<u>\$ 22,031,711</u>	<u>\$ 657,571</u>	<u>\$ 29,379,401</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

**Statement of Changes in Fiduciary Net Position**

**Custodial Funds**

**For the year ended June 30, 2022**

	<u>Jury Cost Fund</u>	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Court Reporter Fund</u>	<u>Total</u>
<b>ADDITIONS:</b>					
Deposits:					
Suits and successions	\$ 692,418	\$ 6,192,156	\$ 4,370,226	\$ 392,734	\$ 11,647,534
Bonds & liens	-	-	-	-	-
Interest earned on investments	8,793	-	111,935	42	120,770
Total additions	<u>701,211</u>	<u>6,192,156</u>	<u>4,482,161</u>	<u>392,776</u>	<u>11,768,304</u>
<b>REDUCTIONS:</b>					
Clerk's costs (transferred to General Fund)	-	2,924,434	-	27,491	2,951,925
Court reporter costs (transferred to Court reporter fund)	-	392,734	-	-	392,734
Judge's Compensation Fund	-	142,450	-	-	142,450
Judicial Court Expense Fund	-	79,652	-	-	79,652
Settlements to litigants	-	1,106,157	507,470	-	1,613,627
Attorney, curator, and notary fees	-	112,395	-	-	112,395
Battered Women's Fund	-	9,610	-	-	9,610
Pro Bono Projects	-	15,745	-	-	15,745
Stenographers' fees	-	-	-	257,353	257,353
Summons Fee	132,125	-	-	-	132,125
Sheriffs' fees	19,539	660,997	-	-	680,536
Bond refunds	146,617	471,428	-	-	618,045
Other reductions	35,787	42,176	-	24,674	102,637
Total reductions	<u>334,068</u>	<u>5,957,778</u>	<u>507,470</u>	<u>309,518</u>	<u>7,108,834</u>
<b>Net increase (decrease) in fiduciary net position</b>	367,143	234,378	3,974,691	83,258	4,659,470
Net position- beginning	2,223,014	3,865,584	18,057,020	574,313	24,719,931
<b>Net position - ending</b>	<u>\$ 2,590,157</u>	<u>\$ 4,099,962</u>	<u>\$ 22,031,711</u>	<u>\$ 657,571</u>	<u>\$ 29,379,401</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## NOTES TO THE FINANCIAL STATEMENTS

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**INTRODUCTION**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Caddo Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, *Audits of State and Local Governments*.

The significant accounting and reporting policies and practices used by the Clerk of Court are described below.

**B. REPORTING ENTITY**

The Caddo Parish Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Caddo Parish Commission. The Commission maintains and operates the parish courthouse in which the Clerk of Court's office is located and is responsible for certain expenses incurred by the Clerk of Court. Because the Clerk of Court is fiscally dependent on the Commission, the Clerk of Court was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity.

As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes responsibility for the hiring and retention of employees, the annual operating budget and any fund deficits, and the receipt and disbursement of funds.

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

**C. FUND ACCOUNTING**

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

Funds of the Clerk of Court are classified into two categories: governmental (General Fund) and fiduciary (custodial funds). These funds are described as follows:



**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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

**C. FUND ACCOUNTING (continued)**

**Governmental Funds**

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

*General Fund-* The General Fund (Salary Fund), as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the Clerk of Court and accounts 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.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk of Court are custodial funds. The Civil Jury Cost, Advance Deposit, Registry of Court, and Court Reporter custodial funds account for assets held by the Clerk of Court in a trustee capacity or as an agent for litigants pending court action and do not involve measurement of results of operations. Consequently, the custodial funds have no measurement focus, but use the accrual basis of accounting.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Fund Financial Statements**

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Clerk of Court's operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)**

**Revenues**

Recordings, cancellations, court attendance, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially, all other revenues are recorded when received by the Clerk of Court.

Based on the above criteria, recordings, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

**Expenditures**

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Clerk.

Capital outlays are reported at the time purchased.

The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity; therefore, the Clerk of Court reports the General Fund as a major fund.

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Clerk of Court as a whole. These statements include all the financial activities of the Clerk of Court, except for fiduciary activities. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with the Clerk of Court's activities are reported. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities 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. Program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

Revenues that are not classified as program revenues, including interest, are presented as general revenues.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)**

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Fiduciary Net Position – Custodial Funds and a Statement of Changes in Fiduciary Net Position – Custodial Funds. The only funds accounted for in this category by the Clerk of Court are custodial funds. Data from the fiduciary funds is not incorporated in the government-wide financial statements.

**E. CASH, INTEREST BEARING DEPOSITS, AND INVESTMENTS**

Cash includes cash on hand, amounts in demand deposits, interest bearing demand deposits, and money market accounts. Investments include time deposits (certificates of deposit), short-term, highly liquid investments with original maturities of approximately 90 days or less when purchased, and amounts invested with the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates as a local government investment pool. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**F. RECEIVABLES**

All trade receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable outstanding an excess of 90 days comprise the trade accounts receivable allowance for uncollectible accounts.

**G. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as deferred outflows of resources in the financial statements.

**H. CAPITAL ASSETS AND DEPRECIATION**

Capital assets are reported at historical cost. 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 \$3,000 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 asset lives are not capitalized.

Capital assets are reported in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Life</u>
Office equipment	5 years
Furniture & fixtures	7 years
Building improvements	7-20 years

Depreciation of all exhaustible capital assets is reported as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position reports 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 or expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for Deferred Inflows of Resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Clerk of Court recognizes differences between expected and actual factors in total pension liability measurements, changes in assumptions about future factors in the total pension liability measurements, and the differences between projected and actual earnings on pension plan investments within these financial statement sections.

The Clerk of Court reports unearned revenue on both its government-wide and fund financial statements. Unearned revenues arise when potential revenues do not meet both the "available" and "measurable" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria have been met or the Clerk of Court has legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized. The Clerk of Court's unearned revenue consists of prepaid portal fees.

**J. COMPENSATED ABSENCES AND LEAVE POLICIES**

The Clerk of Court has the following policy relating to leave time:

Following completion of one year of continuous service and depending on length of service, employees of the Clerk of Court's office earn vacation leave between of between 10 work days and 23 work days annually based on anniversary date of employment. Unused balances are forfeited at the end of each anniversary period. Upon voluntary resignation or retirement, an employee is compensated for annual vacation leave balances unused and remaining.

Following completion of one year of continuous service, employees are entitled to 22.5 hours of appointment leave annually based on anniversary date of employment. Unused balances are forfeited at the end of each anniversary period. Upon retirement, resignation, or termination of employment, all unused appointment leave is forfeited.

Following completion of one year of continuous service, employees are entitled to 9 days of sick leave annually based on anniversary date of employment. Unused balances at the end of each anniversary period can be rolled over up to a limit of 120 days. Employees are not entitled to be compensated for accumulated sick leave balances at retirement or resignation, however, "retiring" employees can use all accumulated sick leave balances prior to retiring.

The Clerk of Court's recognition and measurement criteria for compensated absences follows GASB Statement No. 16 which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payment at termination or retirement.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**K. NET POSITION AND FUND EQUITY**

The Clerk of Court has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. In the government-wide financial statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and can be reported in three components:

- a. Net investment in capital assets - Consists of capital assets net of accumulated depreciation.
- b. Net investment in right-of-use assets – Consists of right-of-use assets net of accumulated amortization.
- c. Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Clerk’s bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- d. Unrestricted net position – Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets.

The Clerk of Court has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Clerk of Court is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

In the fund financial statements, governmental fund balance is presented in five possible categories:

- *Nonspendable* – resources which cannot be spent because they are either (a) not in spendable form (such as prepaid items) or; (b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the Clerk of Court). These amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned* – resources neither restricted nor committed for which the Clerk of Court has a stated intended use for a specific purpose.
- *Unassigned* – resources that are available for any purpose.

The Clerk of Court establishes (and modifies and rescinds) fund balance commitments and assignments through adoption and amendment of the budget.

The Clerk of Court would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**K. NET POSITION AND FUND EQUITY (Continued)**

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of his term of office. The amount owed to the parish treasurer under R.S. 13:785 is limited to no more than the funds provided by the parish treasurer under provisions of R.S. 13:784 (A) to help defray the costs of capital assets and record books during the Clerk of Court's four-year term. At June 30, 2022, there was no amount due to the parish treasurer.

**L. PENSION PLAN**

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

**M. USE OF ESTIMATES**

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

**N. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Caddo Clerk of Court follows GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which requires the accrual of other postemployment benefits for retired employees. The Clerk of Court has recorded a liability for other postemployment benefits (see Note 7). In the government-wide financial statements, the OPEB liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, OPEB expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to OPEB payments due and payable as of the end of the year.

**O. PERSONNEL POLICY CHANGE AND PRIOR PERIOD ADJUSTMENT**

Effective January 1, 2021, the Clerk of Court approved a revised Employment Handbook that governs, among other things, employee leave policies. The sick leave policy of the Clerk of Court provides for an annual allowance of sick leave after completing one (1) year of service. The policy allows unused balances to roll over annually with a cap of 120 days total. Prior to the policy revision, sick leave was not a benefit to be paid out upon termination of employment. Following the policy revision, employees may use all accumulated sick leave prior to retirement.

An additional adjustment was made to correct prior period current asset balances due to an error.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**O. PERSONNEL POLICY CHANGE AND PRIOR PERIOD ADJUSTMENT (Continued)**

Recognition of the additional compensated absences and correction of the current asset error had the following effect on Fund Balance and Net Position as reported on June 30, 2021:

	<u>Governmental Funds</u>	<u>Government-wide</u>
Reported Fund Balance/Net position June 30, 2021	\$ 7,495,819	\$ 27,493,646
Adjustments:		
Current assets	77,688	77,688
Non-current liabilities	-	(372,417)
Restated Fund balance/Net position June 30, 2021	<u>\$ 7,573,507</u>	<u>\$ 27,198,917</u>

**P. CHANGE IN ACCOUNTING PRINCIPLES**

For the year ended June 30, 2022, the Clerk of Court implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. These changes had an immaterial impact on beginning balances and did not justify restatement.

**2. CASH, INTEREST BEARING DEPOSITS, AND INVESTMENTS**

*Cash:* At June 30, 2022, the Clerk of Court had cash (book balances) totaling \$23,691,552 as follows:

	<u>Governmental Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash	\$ 2,200	\$ -	\$ 2,200
Interest-bearing demand deposits	40,393	22,254,694	22,295,087
Non interest-bearing demand deposits	442,744	951,521	\$ 1,394,265
	<u>\$ 485,337</u>	<u>\$ 23,206,215</u>	<u>\$ 23,691,552</u>

*Investments:* At June 30, 2022, the Clerk of Court had investments (book balances) totaling \$14,035,000 as follows:

	<u>Governmental Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Time Deposits	5,925,000	\$ 3,160,000	\$ 9,085,000
LAMP	1,975,000	2,975,000	4,950,000
	<u>\$ 7,900,000</u>	<u>\$ 6,135,000</u>	<u>\$ 14,035,000</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**2. CASH, INTEREST BEARING DEPOSITS AND INVESTMENTS (continued)**

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk of Court's name.

The cash equivalents and investments of the Clerk of Court are subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year end, the Clerk of Court had collected bank balances of \$33,156,551 which were fully protected by \$250,000 of federal depository insurance and the pledge of securities with a market value of \$35,150,034 held by the custodial bank in the name of the Clerk of Court.

*Interest Rate Risk:* The Clerk of Court's time deposits (certificates of deposit) have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates.

*Credit Risk:* The Clerk of Court's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Clerk of Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Investments held at June 30, 2022, include \$4,950,000 (collected balances) invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.



**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

**3. RECEIVABLES**

The governmental activities receivables of \$272,107 at June 30, 2022, are as follows:

Fees, charges and commissions for services:	
Court costs, fees and charges	\$ 45,418
Fees for recording legal documents	154,138
Copies	7,480
Remote access	23,437
Portal fees	8,039
Other	34,592
Gross receivables	273,104
Less Allowance for uncollectibles	(997)
Net total receivables	\$ 272,107

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets being depreciated				
Office equipment	\$ 1,812,801	\$ 23,975	\$ (480,978)	\$ 1,355,798
Furniture and fixtures	1,310,988	47,928	(252,477)	1,106,439
Office improvements	1,020,116	-	(261,328)	758,788
Total	4,143,905	71,903	(994,783)	3,221,025
Less accumulated depreciation				
Office equipment	1,738,858	81,877	(480,978)	1,339,757
Furniture and fixtures	629,604	162,827	(239,055)	553,376
Office improvements	547,829	21,276	(225,244)	343,861
Total	2,916,291	265,980	(945,277)	2,236,994
Net capital assets	\$ 1,227,614	\$ (194,077)	\$ (49,506)	\$ 984,031

Depreciation expense of \$265,980 was charged to the judiciary function of the governmental activities.

**5. UNEARNED REVENUES**

Unearned revenues of \$86,580 represent remote access fees received from customers for the period January 1, 2022, through December 31, 2022, which had not been earned by the Clerk of Court as of June 30, 2022.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**6. PENSION PLAN**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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

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

*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, is 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. 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 ¼ 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

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**6. PENSION PLAN (continued)**

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 Option Plan:* In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in 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.

Upon termination, the member receives a lump-sum payments 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

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SHREVEPORT, LOUISIANA**

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

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**6. PENSION PLAN (continued)**

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.

*Contributions:* According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 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 expense. Non-employer contribution revenue for the Clerk of Court for the year ended June 30, 2021 was \$454,192 .

*Schedule of Employer Allocations:* The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentages for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Louisiana Clerks' of Court Retirement and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2021 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2021.

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

At June 30, 2022, the Caddo Parish Clerk of Court reported a liability of \$5,021,769 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2021 (Plan's measurement date), the Clerk of Court's proportion was 3.775089% which was a increase of 0.09585% from the proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Clerk of Court recognized a pension expense of \$259,858, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

**CADDO PARISH CLERK OF COURT  
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**Notes to the Financial Statements  
For the Year Ended June 30, 2022**

**6. PENSION PLAN (continued)**

At June 30, 2022, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 139,998	\$ 84,259
Changes of assumptions	1,084,125	-
Net difference between projected and actual earnings on pension plan investments	-	2,221,192
Changes in proportion and differences between Employer contributions and proportionate share of contributions	128,564	-
Differences between employer and proportionate share of contributions	168,443	168,086
Employer contributions subsequent to the measurement date	853,363	-
Total	\$ 2,374,493	\$ 2,473,537

The Clerk of Court reported a total of \$853,363 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in net pension liability in the year ended June 30, 2022.

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

June 30,	
2022	152,478
2023	(46,104)
2024	(298,535)
2025	(760,245)
Total	(952,406)

*Actuarial Methods and Assumptions:* The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of the Clerk of Court as of June 30, 2021 are as follows:

Total Pension Liability	34,406,621
Plan Fiduciary Net Position	(29,384,853)
Total Net Pension Liability	\$ 5,021,769

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

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**6. PENSION PLAN (continued)**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Life	5 Years
Investment Rate of Return	6.55%, net of investment expense, including inflation
Inflation rate	2.40%
Projected Salary Increases	1-5 years of service - 6.2% 5 years or more - 5%
Mortality Rates	Pub - 2010 Public Retirement Plans multiplied by 120% Mortality Table with full generation projection using the appropriate MP-2019 improvement scale
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2021 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

Mortality Rate. 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.02%, for the year ended June 30, 2021.

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**Notes to the Financial Statements  
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**6. PENSION PLAN (continued)**

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, 2021, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income:		
Domestic Bonds	25%	2.50%
International Bonds		3.50%
Domestic Equity	38%	7.50%
International Equity	22%	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 net pension liability of the Clerk of Court calculated using the discount rate of 6.55 percent, as well as what the Clerk's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.55 percent) or one percentage point higher (7.55 percent) than the current rate:

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
Net Pension Liability	\$ 8,851,953	\$ 800,153	\$ 1,795,472

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2021, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience: The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings: The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

**CADDO PARISH CLERK OF COURT  
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**Notes to the Financial Statements  
For the Year Ended June 30, 2022**

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**6. PENSION PLAN (continued)**

Changes of Assumptions or Other Inputs: The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

*Contributions—Proportionate Share:* Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

*Funding Policy:* Plan members are required by state statute to contribute 8.25% of their annual covered salary to the plan. The Caddo Parish Clerk of Court is required to contribute to the plan at an actuarially determined rate. The rate for the fiscal year ended June 30, 2022, was 22.25% of the annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Caddo Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caddo Parish Clerk of Court's contributions to the System for the years ending June 30, 2022, 2021, and 2020 were \$853,363, \$803,538, and \$691,335, respectively, equal to the required contributions for each year.

*Plan Fiduciary Net Position.* The System issues an annual publicly available financial report that includes financial statements, required supplementary information for the System and detailed information about the plan's fiduciary net position. Access to the report can be found on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us) or by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

**7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

General Information about the OPEB Plan

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

*Benefits Provided* – Medical, dental and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows:



**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

**7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)**

Attainment of age 55 and 12 years of service; or, attainment of age 60 and 12 years of service for employees hired on and after January 1, 2011. Employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Life insurance coverage is provided to retirees for the active level, reduced to 37.5% of the original amount at age 67 and to 15% of the original amount at age 75, and 100% of the rate is paid by the employer.

**Employees covered by benefit terms**—at June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	39
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	74
Total	113

Total OPEB Liability

The Clerk of Court's total OPEB liability of \$21,362,860 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and other inputs**—The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2020
Prior measurement date	June 30, 2021
Measurement date	June 30, 2022
Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported	
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	3.0% annually
Salary increases	3% annually
Discount rate	3.54% annually which is the Bond Buyer 20-Bond General Obligation Index on the Measurement Date. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.
Prior year discount rate	2.16%
Health Care Cost Trend Rates	5.5% annually until year 2032, then 4.5%
Retirement age	5 years after eligibility
Mortality	SOA RP-2014 Combined Mortality Table
Turnover	Age specific table with an average of 1.5% when applied to the active census

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

**7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)**

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$	24,517,141
Changes for the year:		
Service costs		1,014,956
Interest costs at 2.16%		540,532
Changes in Assumptions/Inputs		(3,861,580)
Changes in benefit terms		-
Difference between expected and actual experience		(330,439)
Benefit payments		(517,750)
Net changes		<u>(3,154,281)</u>
Balance at June 30, 2022		<u>\$ 21,362,860</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Clerk of Court, 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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	<b>1.0% Decrease (2.54%)</b>	<b>Current Discount (3.54%)</b>	<b>1.0% Increase (4.54%)</b>
Total OPEB liability	<u>\$ 24,939,270</u>	<u>\$ 21,362,860</u>	<u>\$ 18,493,578</u>

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

	<b>1.0% Decrease (4.50%)</b>	<b>Current Trend (5.50%)</b>	<b>1.0% Increase (6.50%)</b>
Total OPEB liability	<u>\$ 18,233,305</u>	<u>\$ 21,362,860</u>	<u>\$ 25,401,210</u>

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

For the year ended June 30, 2022, the Clerk of Court recognized OPEB expense of \$83,593. At June 30, 2022, the Clerk of Court reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 124,734	\$ (3,364,517)
Changes in Assumptions	3,463,035	(9,859,570)
Total	<u>\$ 3,587,769</u>	<u>\$ (13,224,088)</u>

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

**7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)**

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

Year ending June 30	Net Amount to be recognized - current	Net amount to be recognized cumulative
2023	\$ (381,093)	\$ (954,145)
2024	\$ (381,093)	\$ (954,145)
2025	\$ (381,093)	\$ (954,145)
2026	\$ (381,093)	\$ (954,145)
2027	\$ (381,093)	\$ (954,145)
Thereafter	\$ (1,905,463)	\$ (4,862,487)

**8. COMPENSATED ABSENCES**

At June 30, 2022, employees of the Clerk of Court have accumulated and vested employee leave benefits, computed in accordance with GASB Codification Section C60. The liability for compensated absences is computed only at the end of the fiscal year. As of June 30, 2022, the Clerk of Courts compensated absences resulted in liabilities as follows:

	Due within 1 year	Due > 1 year
Balances at July 1, 2021	\$ 101,769	\$ 372,417
Increases	32,550	111,259
Decreases	-	-
Balances as June 30, 2022	<u>\$ 134,319</u>	<u>\$ 483,676</u>

**9. DEFERRED COMPENSATION PLAN**

Certain employees of the Caddo Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan adopted under the provisions of the Internal Revenue Service Code Section 457. Employees may contribute up to 100% of their salary, not to exceed \$19,500 a year, to the plan on a pre-tax basis. The contributions are withheld from the employees' paychecks and the Clerk of Court makes a matching contribution equal to the amount contributed to a maximum percentage of the employee's monthly compensation. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period where they are deposited to an account in the employee's name. The Clerk of Court does not assume any liability for the funds and does not have control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2022, the Clerk of Court's matching funds totaled \$19,500.

**10. RISK MANAGEMENT**

The Caddo Parish Clerk of Court is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk purchases commercial insurance to provide workers compensation coverage, general liability, error and omission, and property insurance. There were no significant reductions in insurance coverage from the previous year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

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

**11. LEASES**

Under GASB 87 the Clerk of Court recognizes all leases over one year in term as right-of-use assets at the present value of all lease payments, amortized over the term of the leases. The Clerk of Court has right-of-use asset leases of the following nature:

A 2022 Honda Pilot was leased November 10, 2021. The lease was for a term of three (3) years with the fair market value of the lease being paid in full at lease commencement. The Clerk of Court does not anticipate renewing the lease or exercising the purchase option for the vehicle at the end of the term. The full payment of the lease in year one will be amortized over the three year lease term using straight line amortization.

Right-of-use assets and amortization activity as of and for the year ended June 30, 2022, is as follows:

<u>Governmental Activities</u>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Right-of-Use Assets	\$ -	\$ 21,310	\$ -	\$ 21,310
Total	<u>-</u>	<u>21,310</u>	<u>-</u>	<u>21,310</u>
Less Accumulated Amortization				
Right-of-Use Assets	-	4,736	-	4,736
Total	<u>-</u>	<u>4,736</u>	<u>-</u>	<u>4,736</u>
Right-of-Use Assets, Net	\$ -	\$ 16,574	\$ -	\$ 16,574

**12. LITIGATION AND CLAIMS**

At June 30, 2022, the Caddo Parish Clerk of Court was involved in litigation concerning several matters which, in the estimation of the legal advisor of the Clerk of Court, an estimate of the ultimate resolution of the suits cannot be made. However, it is the opinion of legal counsel that an unfavorable outcome is unlikely in the pending lawsuits.

**13. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COMMISSION**

The Caddo Parish Clerk of Court's office is located in the Caddo Parish Courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715 is paid by the Caddo Parish Commission and are not included in the accompanying financial statements.

**14. DEFICIT NET POSITION**

A net position deficit of \$27,088,750 exists in the general fund resulting from noncurrent operating liabilities such as OPEB liability of \$21,362,860 and net pension liability of \$5,021,769.

**15. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 10, 2022, the date the financial statements were available to be issued and has concluded that there are no significant events requiring recognition or disclosure through that date.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**CADDO PARISH CLERK OF COURT**  
Shreveport, Louisiana

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the year ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Fees, charges, and commissions for services:				
Court costs, fees and charges	\$ 4,625,000	\$ 4,625,000	\$ 4,595,457	\$ (29,543)
Fees for recording legal documents	5,335,156	5,335,156	5,246,043	(89,113)
Fees for copies of documents	555,000	555,000	535,127	(19,873)
Licenses and permits	382,500	382,500	410,029	27,529
Miscellaneous	-	-	56,287	56,287
Use of money and property - interest income	67,000	67,000	43,585	(23,415)
<b>TOTAL REVENUES</b>	<u>10,964,656</u>	<u>10,964,656</u>	<u>10,886,528</u>	<u>(78,128)</u>
<b>EXPENDITURES</b>				
Judiciary:				
Current:				
Personal services and related benefits	7,905,940	7,905,940	8,060,116	(154,176)
Materials and supplies	1,200,000	1,200,000	1,201,906	(1,906)
Operating services	443,160	443,160	518,600	(75,440)
Travel and other charges	-	-	108,431	(108,431)
Capital Outlay	285,000	285,000	93,213	191,787
<b>TOTAL EXPENDITURES</b>	<u>9,834,100</u>	<u>9,834,100</u>	<u>9,982,266</u>	<u>(148,166)</u>
<b>EXCESS (Deficiency) of REVENUES OVER EXPENDITURES</b>	1,130,556	1,130,556	904,262	(226,294)
<b>FUND BALANCE</b>				
Beginning of the year	7,495,819	7,495,819	7,495,819	-
Prior period adjustment	77,688	77,688	77,688	
End of the year	<u>\$ 8,704,063</u>	<u>\$ 8,704,063</u>	<u>\$ 8,477,769</u>	<u>\$ (226,294)</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT**  
**Shreveport, Louisiana**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

For the year ended June 30, 2022

**Louisiana Clerks' of Court Retirement and Relief Fund:**

Fiscal Year* ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered- Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	3.324069%	\$ 4,483,710	\$ 3,002,232	149%	65.0%
2016	3.333254%	\$ 4,999,986	\$ 3,054,200	164%	62.7%
2017	3.486320%	\$ 6,449,602	\$ 3,182,106	203%	78.1%
2018	3.500420%	\$ 5,295,903	\$ 3,185,989	166%	79.7%
2019	3.643090%	\$ 6,059,557	\$ 3,381,455	179%	79.1%
2020	3.862970%	\$ 7,015,126	\$ 3,755,567	187%	77.9%
2021	3.679234%	\$ 8,851,741	\$ 3,638,607	243%	72.1%
2022	3.775089%	\$ 5,021,769	\$ 3,826,369	131%	85.4%

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT  
Shreveport, Louisiana**

**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**

For the year ended June 30, 2022

**Louisiana Clerks' of Court Retirement and Relief Fund:**

Fiscal year*	Contractually required contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 565,027	\$ 565,027	\$ -	\$ 3,054,200	18.5%
2016	\$ 604,602	\$ 604,602	\$ -	\$ 3,182,106	19.0%
2017	\$ 599,018	\$ 599,018	\$ -	\$ 3,185,989	18.8%
2018	\$ 642,476	\$ 642,476	\$ -	\$ 3,381,455	19.0%
2019	\$ 713,558	\$ 713,558	\$ -	\$ 3,755,567	19.0%
2020	\$ 691,335	\$ 691,335	\$ -	\$ 3,638,607	19.0%
2021	\$ 803,538	\$ 803,538	\$ -	\$ 3,826,369	21.0%
2022	\$ 853,363	\$ 853,363	\$ -	\$ 3,835,338	22.3%

\*Amounts presented were determined as of the end of the fiscal year.

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

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.



**CADDO PARISH CLERK OF COURT**  
**Shreveport, Louisiana**

**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the year ended June 30, 2022**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>OPEB Expenses</b>					
Service cost	\$ 711,138	\$ 703,838	\$ 1,018,660	\$ 985,035	\$ 1,014,956
Interest	1,026,000	1,066,934	723,008	587,417	540,532
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	27,963	(1,054,307)	154,421	(2,801,056)	(330,439)
Changes of assumptions	-	(9,170,840)	4,590,851	149,081	(3,861,580)
Benefit payments	(550,203)	(519,002)	(547,547)	(490,758)	(517,750)
<b>Net change in total OPEB liability</b>	<b>1,214,898</b>	<b>(8,973,377)</b>	<b>5,939,392</b>	<b>(1,570,281)</b>	<b>(3,154,281)</b>
<b>Total OPEB liability - beginning</b>	<b>27,906,509</b>	<b>29,121,407</b>	<b>20,148,030</b>	<b>26,087,422</b>	<b>24,517,141</b>
<b>Total OPEB liability - ending</b>	<b>\$ 29,121,407</b>	<b>\$ 20,148,030</b>	<b>\$ 26,087,422</b>	<b>\$ 24,517,141</b>	<b>\$ 21,362,860</b>
Covered-employee payroll	\$ 6,217,058	\$ 3,568,956	\$ 3,676,025	\$ 3,486,166	\$ 3,590,751
Net OPEB liability as a percentage of covered-employee payroll	468.41%	564.54%	709.66%	703.27%	594.94%
<b>Notes to Schedule:</b>					
<i>Benefit Change:</i>	None	None	None	None	None
<i>Changes of Assumptions:</i>					
<i>Discount Rate:</i>	3.62%	3.50%	2.21%	2.16%	3.54%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000	RP-2014	RP-2014
<i>Trend:</i>	5.5%	5.5%	5.5%	Variable	Variable

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

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

**Notes to Required Supplemental Information  
as of and for the year ended June 30, 2022**

**Budgetary Information**

The budget for the General Fund (Salary Fund) is prepared and is adopted annually on the cash basis of accounting. A preliminary budget for the General Fund for the ensuing year is prepared by the Clerk of Court during May of each year. The availability of the proposed budget for public inspection and the date of the public hearing on the budget are then advertised in the official journal. During June, the Clerk of Court holds a public hearing on the proposed budget in order to receive comments from the public and other interested parties. The General Fund budget is adopted during June of each year and notice is published in the official journal.

The proposed budget for the , fiscal year was made available for public inspection at the Clerk of Court's office on June 3, 2021. The proposed budget, prepared on the cash basis of accounting, was published in the official journal ten days before the public hearing. The budget hearing was held at the Clerk's office on June 14, 2021.

Louisiana Revised Statute (LSA-R.S.) 39:1311 requires the chief executive or administrative officer of the Clerk of Court's office to advise the Clerk in writing when:

- (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated fund balance by five percent or more and fund balance is being used to fund current year expenditures.

The Clerk prepares necessary budget amendments when, in his judgment, actual operations differ materially from those anticipated in the original budget and formally adopts the amendments. The adoption of the amendments is published in the official journal. The General Fund budget for the fiscal year ended June 30, 2022, was not amended.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. Formal budget integration is employed as a management control device during the year. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The Clerk is in compliance with the Louisiana Local Government Budget Act.

**Pension Information**

The schedule of the Caddo Parish Clerk of Court's proportionate share of the net pension liability and the schedule of the Caddo Parish Clerk of Court's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available. There were no changes of benefit terms nor changes in benefit assumptions for the year ended June 30, 2022.

Changes of assumptions:

Year ended June 30,	Discount Rate	Investment Rate of return	Inflation Rate	Expected Remaining lives	Projected Salary increase
2015	7.25%	7.25%	-	5	5.75%
2016	7.00%	7.00%	-	5	5.00%
2017	7.00%	7.00%	2.5%	5	5.00%
2018	7.00%	7.00%	2.5%	5	5.00%
2019	6.75%	6.75%	2.5%	5	5.00%
2020	6.75%	6.75%	2.5%	5	5.00%
2021	6.75%	6.75%	2.5%	5	Range
2022	6.55%	6.55%	2.4%	5	Range

## OTHER SUPPLEMENTAL INFORMATION

**CADDO PARISH CLERK OF COURT**  
Shreveport, Louisiana

**Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer**  
For the year ended June 30, 2022

**Mike Spence, Clerk of Court**

Purpose:

Salary	\$	178,168
Benefits- insurance		27,000
Benefits- retirement		39,108
Benefits- deferred compensation		-
Benefits- other		-
Vehicle provided by government		26,365
Per diem		750
Reimbursements		1,282
Travel		-
Registration fees		-
Conferences and seminars		-
Continuing professional education fees		1,200
Cell phone		-
Unvouchered expenses		-
Special meals		-

Supplemental information.

See the accompanying independent auditor's report.

**Justice System Funding Schedule - Receiving Entity  
As Required by Act 87 of the 2020 Regular Legislative Session**

Identifying Information	
Entity Name	Caddo Parish Clerk of Court
LLA Entity ID #	72200336
Date that reporting period ended (mm/dd/yyyy)	6/30/2022

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

**10. Receipts From:**

<i>CADDO PARISH COMMISSION/ CIVIL FEES</i>	1,141	1,209
<i>CADDO PARISH COMMISSION / CIVIL FEES</i>	11,400	8,800
<i>CADDO PARISH COMMISSION / CRIMINAL COURT COST/FEES</i>	11,400	8,800
<i>CADDO PARISH SHERIFF / CRIMINAL COURT COST/FEES</i>	89,251	78,285
<i>CADDO PARISH DISTRICT ATTORNEY / BOND FEES</i>	-	1,236
	-	-
	-	-
	-	-
<b>Subtotal Receipts</b>	113,192	98,330

**11. Ending Balance of Amounts Assessed but Not Received**

-	-
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**Justice System Funding Schedule - Collecting/Disbursing Entity  
As Required by Act 87 of the 2020 Regular Legislative Session**

Identifying Information		
Entity Name	Caddo Parish Clerk of Court	
LLA Entity ID #	72200336	
Date that reporting period ended (mm/dd/yyyy)	June 30, 2022	
	<b>First Six Month Period Ended 12/31/2021</b>	<b>Second Six Month Period Ended 06/30/2022</b>
<b>Cash Basis Presentation</b>		
<b>1. Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	(1,731,503)	(903,992)
<b>2. Add: Collections</b>		
a Civil Fees (including refundable amounts such as garnishments or advance deposits)	3,410,344	3,231,096
b Bond Fees	-	-
c Asset Forfeiture/Sale	-	-
d Pre-Trial Diversion Program Fees	-	-
e Criminal Court Costs/Fees	35,986	37,404
f Criminal Fines - Contempt	-	-
g Criminal Fines - Other	-	-
h Restitution	-	-
i Probation/Parole/Supervision Fees	-	-
j Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
k Interest Earnings on Collected Balances	25,500	17,385
l Other (do not include collections that fit into more specific categories above)	112,428	149,741
<b>m Subtotal Collections</b>	<b>3,584,257</b>	<b>3,435,626</b>
<b>3. Less: Disbursements To Governments &amp; Nonprofits:</b>		
COURT REPORTER	212,828	236,648
JUDICIAL EXPENSE	43,035	48,137
JUDGES COMPENSATION	78,103	84,833
PRO BONO PROJECT	8,548	9,510
BATTERED WOMENS FUND	5,150	5,820
JUDICIAL COLLEGE FEE	1,429	1,588
LOCAL SHERIFF	272,067	296,809
OUTSIDE SHERIFF	84,060	86,256
SEC OF STATE FEES	22,875	23,325
COMMISSIONER OF INSURANCE	2,655	2,825
LEGAL SERVICES OF N LA	8,464	9,352
COURT OF APPEALS	9,378	7,196
SHERIFF OF VERNON PARISH	-	35
SHERIFF OF WASHINGTON PARISH	-	141
SHERIFF OF WEST BATON ROUGE PARISH	-	36
SHERIFF OF IBERIA PARISH	-	210
SHERIFF OF FRANKLIN PARISH	-	62
SHERIFF OF ACADIA PARISH	-	38
BOSSIER CITY MARSHAL'S OFFICE	30	-
SHERIFF OF ASCENSION PARISH	20	106
SHERIFF OF AVOYELLES PARISH	107	34
SHERIFF OF BEAUREGARD PARISH	32	118
SHERIFF OF BIENVILLE PARISH	253	638
SHERIFF OF BOSSIER PARISH	19,544	20,004
SHERIFF OF CALCASIEU PARISH	503	779
SHERIFF OF CLAIBORNE PARISH	60	190
SHERIFF OF CONCORDIA PARISH	99	-
SHERIFF OF DESOTO PARISH	3,196	3,351

SHERIFF OF EAST BATON ROUGE PARISH	30,332	36,598
SHERIFF OF EVANGELINE PARISH	33	-
SHERIFF OF GRANT PARISH	62	-
SHERIFF OF IBERVILLE PARISH	67	69
SHERIFF OF JACKSON PARISH	280	61
SHERIFF OF JEFFERSON PARISH	3,120	4,070
SHERIFF OF LAFAYETTE PARISH	1,790	2,003
SHERIFF OF LINCOLN PARISH	233	387
SHERIFF OF LIVINGSTON PARISH	202	281
SHERIFF OF MOREHOUSE PARISH	30	103
SHERIFF OF NATCHITOCHE PARISH	757	393
SHERIFF OF ORLEANS PARISH	2,531	2,280
SHERIFF OF OUACHITA PARISH	1,640	2,378
SHERIFF OF RAPIDES PARISH	1,507	848
SHERIFF OF RED RIVER PARISH	194	262
SHERIFF OF RICHLAND PARISH	120	137
SHERIFF OF SABINE PARISH	414	318
SHERIFF OF ST. BERNARD PARISH	33	35
SHERIFF OF ST. LANDRY PARISH	160	86
SHERIFF OF ST. MARY PARISH	-	118
SHERIFF OF ST. TAMMANY PARISH	1,337	1,133
SHERIFF OF TANGIPAHOA PARISH	325	452
SHERIFF OF TANGIPAHOA PARISH	-	452
SHERIFF OF TERREBONNE PARISH	-	15
SHERIFF OF UNION PARISH	60	-
SHERIFF OF WEBSTER PARISH	1,602	1,581
SHERIFF OF WEST FELICIANA PARISH	137	-
SHERIFF OF WINN PARISH	144	302
SHREVEPORT CITY MARSHALL	450	360
<b>4. Less: Amounts Retained by Collecting Agency</b>		
a Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection		-
COURT REPORTER / CIVIL FEES	10,926	13,935
b Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
CRIMINAL COURT COST FEES	35,986	37,403
Amounts "Self-Disbursed" to Collecting Agency ( <i>must include a separate line for each collection type, as applicable</i> ) - Example: Criminal Fines - Other ( <i>Additional rows may be added as necessary</i> )	-	-
c CIVIL FEES / CIVIL COST	1,318,980	1,632,759
<b>5. Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
a Civil Fee Refunds	395,603	710,554
b Bond Fee Refunds	155,000	316,428
c Restitution Payments to Individuals (additional detail is not required)	-	-
d Other Disbursements to Individuals (additional detail is not required)	-	-
e Payments to 3rd Party Collection/Processing Agencies	-	-
CREDIT CARD FEES NOT RETAINED (civil only)	20,252	23,207
<b>6. Subtotal Disbursements/Retainage</b>	<b>2,756,746</b>	<b>3,627,049</b>
<b>7. Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>(903,992)</b>	<b>(1,095,415)</b>
<b>8. Ending Balance of "Partial Payments" Collected but not Disbursed - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</b>	-	-
<b>9. Other Information:</b>		
a Ending Balance of Total Amounts Assessed but not yet Collected ( <i>i.e. receivable balance</i> )	173,554	243,136
b Total Waivers During the Fiscal Period ( <i>i.e. non-cash reduction of receivable balances, such as time served or community service</i> )	-	-

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND THE LOUISIANA GOVERNMENTAL AUDIT GUIDE**

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.





## Dees Gardner, Certified Public Accountants, LLC

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

The Honorable Mike Spence  
Caddo Parish Clerk of Court  
Shreveport, 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 Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and each fiduciary fund type of the Caddo Parish Clerk of Court, Shreveport, Louisiana, a component unit of the Caddo Parish Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Caddo Parish Clerk of Court's basic financial statements, and have issued our report thereon dated November 10, 2022.

#### Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Caddo Parish 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## **Caddo Parish Clerk of Court's Responses to Findings**

Caddo Parish Clerk of Court response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

This report is intended solely for the information and use of the Caddo Parish Clerk of Court, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record and is distributed by the Legislative Auditor under Louisiana Revised Statute 24:513.

*Dees Gardner, Certified Public Accountants, LLC*

Dees Gardner, Certified Public Accountants, LLC  
Mansfield, Louisiana  
November 10, 2022

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

**Schedule of Findings  
For the Year Ended June 30, 2022**

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**Part I. Summary of Auditor's Results**

INDEPENDENT AUDITOR'S REPORT:

We have audited the basic financial statements of the Caddo Parish Clerk of Court as of and for the year ended June 30, 2022, and have issued our report thereon dated November 10, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER THE FINANCIAL REPORTING:

Internal Control

Significant Deficiency	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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A management letter was not issued.

FEDERAL AWARDS: Not applicable

**Part II. Findings relating to the Financial Statements which are required to be Reported under *Government Auditing Standards*.**

**FINDINGS RELATED TO INTERNAL CONTROL**

None.

**FINDINGS RELATED TO COMPLIANCE**

None.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

**Schedule of Prior Year Findings  
For the Year Ended June 30, 2022**

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**FINDINGS RELATED TO COMPLIANCE**

None

**FINDINGS RELATED TO INTERNAL CONTROL**

None

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS



# Dees Gardner, Certified Public Accountants, LLC

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Honorable Mike Spence  
Caddo Parish Clerk of Court  
and the Louisiana Legislative Auditor:

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

The Clerk has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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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.

*Written policies and procedures were obtained and it was noted that the budgeting policy does not specifically address the areas noted above except that the Clerk will comply with the Louisiana Budgeting Act.*

- 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.

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

- 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.

*Written policies and procedures were obtained and it was noted that the policy did not provide any specific procedures for the receipts process, the personnel involved, and how completeness of collections is determined.*

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

*No exceptions were noted as a result of this procedure.*

- 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

*Written policies and procedures were obtained and it was noted that the policy did not provide any specific procedures sections 2 or 5 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).

*Written policies and procedures were obtained and it was noted that the policy did not provide specific procedures addressing the areas above described.*

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

*No exceptions were noted as a result of this procedure.*

- 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.

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions were noted as a result of this procedure.*

### **Board or Finance Committee**

---

- 2. *Section 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:

*A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and two additional accounts were selected for review.*

- 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);

*No exceptions were noted as a result of this procedure.*

- 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

*No exceptions were noted as a result of this procedure.*

- 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.

*Two accounts reviewed had a significant number of items that were over 12 months outstanding.*

### **Collections (excluding EFTs)**

---

- 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).

*A listing of deposit sites for the fiscal period and management's representation that the listing is complete were obtained. The only deposit site of the entity was selected.*

- 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 listing of collection locations and management's representation that the listing is complete was obtained. A random collection location of the entity was selected.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions were noted as a result of this procedure.*

- 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.

*No exceptions were noted as a result of this procedure.*

- 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.

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exceptions were noted as a result of this procedure.*



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.  
*No exceptions were noted as a result of this procedure.*
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*No exceptions were noted as a result of this procedure.*
  - c) Trace the deposit slip total to the actual deposit per the bank statement.  
*No exceptions were noted as a result of this procedure.*
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).  
*No exceptions were noted as a result of this procedure.*
  - e) Trace the actual deposit per the bank statement to the general ledger.  
*No exceptions were noted as a result of this procedure.*

***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).  
*A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. The only location of the entity was selected.*
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.  
*No exceptions were noted as a result of this procedure.*
  - b) At least two employees are involved in processing and approving payments to vendors.  
*No exceptions were noted as a result of this procedure.*
  - 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.  
*No exceptions were noted as a result of this procedure.*
  - 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.  
*No exceptions were noted as a result of this procedure.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.  
*No exceptions were noted as a result of this procedure.*
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.  
*No exceptions were noted as a result of this procedure.*

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.  
*A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.*
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- All 3 of the entities cards were selected for review..*
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.  
*No exceptions noted were noted as a result of this procedure.*
  - b) Observe that finance charges and late fees were not assessed on the selected statements.  
*No exceptions were noted as a result of this procedure.*
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.  
*No exceptions were noted as a result of this procedure.*

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

---

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*Per diem reimbursements were observed that would be more than allowable amounts by the State of Louisiana or GSA.*

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

*No applicable reimbursements reviewed.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No applicable reimbursements reviewed.*

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

*No exceptions were noted as a result of this procedure.*

### **Contracts**

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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 listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete were obtained.*

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

*No applicable contracts were observed.*

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

*No exceptions were noted as a result of this procedure.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*No amendments to contracts were noted..*

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

*No exceptions were noted as a result of this procedure.*

### **Payroll and Personnel**

---

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

*A listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete were obtained. Five employees of the entity selected for review.*

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

a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

*Attendance and leave is not documented for salaried employees prior to payroll runs. .*

b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*Supervisor approval is not clearly documented on attendance and leave documentation for salaried employees.*

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

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*No exceptions were noted as a result of this procedure.*

### **Ethics**

---

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*No exceptions were noted as a result of this procedure.*

b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*No exceptions were noted as a result of this procedure.*

### **Debt Service**

---

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

*Section not applicable to entity.*

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

*Section not applicable to entity.*

### **Fraud Notice**

---

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No misappropriations reported by entity.*

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

*No exceptions were noted as a result of this procedure.*

### **Information Technology Disaster Recovery/Business Continuity**

---

25. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedures and discussed the results with management.*

### **Sexual Harassment**

---

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

*No exceptions were noted as a result of this procedure.*

27. 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).

*No exceptions were noted as a result of this procedure.*

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

*The entity did not have any sexual harassment complaints in the current year.*

- a) Number and percentage of public servants in the agency who have completed the training requirements;  
96%.
- 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; and  
0.
- e) Amount of time it took to resolve each complaint.  
0.

We were engaged by the Clerk to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the 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 Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, LA  
November 10, 2022

# MIKE SPENCE

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## CLERK OF COURT

Caddo Parish Courthouse  
501 Texas Street, Room 103  
Shreveport, LA 71101-5408



Dianne Doughty  
Chief Deputy

### Management responses to statewide agreed upon procedure exceptions:

#### Section 1 - Written Policies and Procedures

Management will review written policies and procedures and address the noted areas.

#### Section 3 – Bank Reconciliations

Management will make sure items outstanding for more than 12 months will be researched and turned over to state unclaimed property as needed.

#### Section 14 – Travel Expenses

Management has set a policy that simplifies the Travel Reimbursement process for the limited travel expenses incurred by Clerk employees. The noted Travel Reimbursements were made according to policy and not excessive.

#### Section 17(b) – Payroll and Personnel

Management will begin documenting approval of time and attendance for all employees. Salaried employees will, at a minimum, document the pay period, certify hours worked, and document leave time utilized. Supervisors will then document approval of the noted documentation in advance of payroll runs.

Mike Spence

Caddo Parish Clerk of Court

*“Where The Public Comes First”*

Vital Records	Birth/Death Certificates	Civil Suits	Criminal	Land Records	Elections
Marriage Licenses	(318) 226-6642	(318) 226-6776	(318) 226-6786	(318) 226-6780	(318) 226-6788
(318) 226-6789	(318) 629-1105 fax	(318) 227-9080 fax	(318) 677-5371 fax	(318) 841-4001 fax	(318) 227-9080 fax