

ST. MARY PARISH CLERK OF COURT

Franklin, Louisiana

Financial Statements

Year Ended June 30, 2023

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Clifford Dressel
St. Mary Parish Clerk of Court
Franklin, 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 aggregate remaining fund information of the St. Mary Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Parish of St. Mary, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedules, schedule of employer's share of net pension liability, schedule of employer pension contributions, and notes to

required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Clerk of Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of the Clerk of Court's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules have 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 justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
October 24, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 938,752
Investments	263,698
Receivables	
Accounts	43,933
Due from other governments	3,485
Prepaid expenses	10,825
Capital assets, net of accumulated depreciation/amortization	<u>38,614</u>
Total assets	<u>1,299,307</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to -	
Net pension liability	659,038
OPEB liability	<u>302,990</u>
Total deferred outflows of resources	<u>962,028</u>
LIABILITIES	
Current liabilities	
Accounts payable	6,167
Compensated absences payable	<u>20,680</u>
Total current liabilities	<u>26,847</u>
Long-term liabilities	
Due within one year	
Lease liability	13,916
Due in more than one year	
Lease liability	2,353
Net pension liability	1,677,148
OPEB liability	<u>2,789,275</u>
Total long-term liabilities	<u>4,482,692</u>
Total liabilities	<u>4,509,539</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to -	
Net pension liability	98,511
OPEB liability	<u>1,256,200</u>
Total deferred inflows of resources	<u>1,354,711</u>
NET POSITION	
Net investment in capital assets	22,345
Unrestricted (deficit)	<u>(3,625,260)</u>
Total net position (deficit)	<u>\$ (3,602,915)</u>

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

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Statement of Activities
Year Ended June 30, 2023

	<u>Governmental Activities</u>
EXPENSES	
General government	
Personal service and related benefits	\$ 1,331,829
Operating services	82,603
Materials and supplies	7,982
Travel and other charges	796
Depreciation	11,411
Interest expense	598
Total expenses	<u>1,435,219</u>
PROGRAM REVENUES	
Charges for services	
Fees, charges and commissions for services	
Court costs, fees and charges	946,736
Fees for recording legal documents	618,934
Fees for certified copies of documents	56,580
Marriage licenses	2,720
Miscellaneous	25,127
Operating grants and contributions	109,463
Total program revenues	<u>1,759,560</u>
Net program revenue	324,341
GENERAL REVENUES	
Interest earned	<u>18,025</u>
Change in net position	342,366
NET POSITION (deficit), beginning	<u>(3,945,281)</u>
NET POSITION (deficit), ending	<u>\$ (3,602,915)</u>

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

FUND FINANCIAL STATEMENTS

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Balance Sheet
Governmental Fund
June 30, 2023

	General Fund
ASSETS	
Cash and cash equivalents	\$ 938,752
Investments	263,698
Receivables:	
Accounts	43,933
Due from other governments	3,485
Prepaid expenditures	10,825
Total assets	\$ 1,260,693
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 6,167
Compensated absences payable	20,680
Total liabilities	26,847
Fund balance:	
Nonspendable	10,825
Unassigned	1,223,021
Total fund balance	1,233,846
Total liabilities and fund balance	\$ 1,260,693

(continued)

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Balance Sheet (continued)
Governmental Fund
June 30, 2023

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

Total fund balance-governmental fund		\$ 1,233,846
Cost of capital assets, net of accumulated depreciation/amortization		38,614
Deferred outflows of resources related to -		
Net pension liability	659,038	
OPEB liability	<u>302,990</u>	962,028
Long-term liabilities		
Lease liability		(16,269)
Net pension liability		(1,677,148)
Postemployment benefit obligation payable		(2,789,275)
Deferred inflows of resources related to -		
Net pension liability	(98,511)	
OPEB liability	<u>(1,256,200)</u>	<u>(1,354,711)</u>
Total net position of governmental activities		<u>\$ (3,602,915)</u>

The accompanying notes to financial statements are an integral part of this statement

ST. MARY PARISH CLERK OF COURT
Franklm. Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year Ended June 30, 2023

	<u>General Fund</u>
REVENUES	
Fees, charges and commissions for services:	
Court costs, fees and charges	\$ 946,736
Fees for recording legal documents	618,934
Fees for certified copies of documents	56,580
Marriage licenses	2,720
Miscellaneous	25,127
Intergovernmental	25,700
Use of money and property - interest earnings	18,025
Total revenues	<u>1,693,822</u>
EXPENDITURES	
Current -	
General government:	
Personal service and related benefits	1,447,513
Operating services	82,603
Materials and supplies	7,982
Travel and other charges	796
Debt service -	
Lease principal	14,166
Total expenditures	<u>1,553,060</u>
Net change in fund balance	140,762
Fund balance, beginning	<u>1,093,084</u>
Fund balance, ending	<u>\$ 1,233,846</u>

(continued)

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance (continued)
Governmental Fund
Year Ended June 30, 2023

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

Net change in fund balance-governmental fund	\$	140,762
Depreciation expense		(11,411)
Amortization Expense		(13,620)
Retirement of lease liability		13,568
Net change in OPEB expense		242,057
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Increase in pension expense		(112,753)
Nonemployer pension contribution revenue		<u>83,763</u>
Change in net position of governmental activities	\$	<u>342,366</u>

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

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Statement of Fiduciary Net Position
June 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,827.912
Investments	<u>500.000</u>
Total assets	<u>\$ 2,327.912</u>
NET POSITION	
Restricted for litigants and others	<u>\$ 2,327.912</u>

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

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	<u>Custodial Funds</u>
Additions:	
Suits and successions	\$ 1,145,088
Judgments	1,457
Interest earned	<u>2,260</u>
Total additions	<u>1,148,805</u>
Reductions:	
Clerk's costs (transferred to General Fund)	653,885
Refunds to litigants	192,113
Settlements	631,188
Sheriff fees	103,556
Judges supplemental	27,363
Other	<u>92,998</u>
Total reductions	<u>1,701,103</u>
Change in net position	(552,298)
Net position, beginning	<u>2,880,210</u>
Net position, ending	<u>\$ 2,327,912</u>

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

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements

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. Financial Reporting Entity

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Parish of St. Mary. The parish government maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture of the Clerk of Court's office. Because the Clerk of Court is fiscally dependent on the parish government, the Clerk of Court was determined to be a component unit of the Parish of St. Mary, the financial reporting entity.

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

B. Basis of Presentation

The accompanying basic financial statements of the Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 which are considered to be governmental activities. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the statement of fiduciary net position and the statement of changes in fiduciary net position at the fund financial statement level. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Codification section N50, *Nonexchange Transactions*.

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for 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 of services offered by the Clerk of Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The Clerk of Court uses funds to maintain its financial records and results of operations. 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 defined as a separate accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Clerk of Court or meets the following criteria:

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

Governmental Fund

General Fund – This fund is the primary operating fund of the Clerk of Court and it accounts for the operations of the Clerk of Court's office. The General Fund is available for any purpose provided it is extended or transferred in accordance with state and federal laws and according to the Clerk of Court's policy.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support the Clerk of Court's programs. The Clerk of Court has adopted GASBS No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focuses on net position and changes in net position and is reported using the accrual basis of accounting.

The Clerk of Court's fiduciary funds (custodial) are presented in the fiduciary fund financial statements. Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the Clerk of Court, these funds are not incorporated into the government-wide statements. The custodial funds are as follows:

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

Advance Deposit Fund – The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of the Court Fund – The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

C. Measurement Focus

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

On the government-wide statement of net position and statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given year. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this 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 its activities are reported. Government-wide fund equity is classified as net position.

D. Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

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

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court

Investments

Under state law, the Clerk of Court may deposit funds with a fiscal agent organized under the laws of the State 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. In addition, local governments are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates local government investment pool.

Accounts receivable

The Clerk of Court records its fees in the month the services are rendered.

Prepaid items

The Clerk of Court's policy regarding prepaid expenditures is to record as prepaid the portion of insurance premiums and maintenance agreements that is paid during the current fiscal year for future periods.

Capital assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 for capitalizing capital 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.

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

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

Depreciation is provided using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and fixtures	10
Office equipment	5-10
Vehicles	5
Leasehold improvements	10

Compensated absences

Employees of the Clerk of Court's office earn 5 – 20 days of leave each year depending on length of service. Such leave is to be used for vacation, sickness, or emergencies. Vacation leave must be taken in the year earned. In accordance with GASBS No. 16, liabilities for compensated absences are estimated based on hours remaining and pay rates in effect at the balance sheet date. Upon resignation or retirement, employees may be paid for unused leave at the employee's current rate of pay.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity classifications

Government-wide financial statements

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

2. Restricted – Consists of net position with constraints place on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Clerk of Court considers the restricted funds to have been spent first.

Fund financial statements

Fund balance for the Clerk of Court’s governmental fund (the General Fund) is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental financial statements, fund balances are classified as follows:

1. Nonspendable – amounts that cannot be spent because either they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal action of the governing authority of the Clerk of Court’s office. The Clerk of Court is the highest level of decision-making authority for the Clerk of Court. Commitments may be established, modified, or rescinded only through formal declarations approved by the Clerk of Court.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk of Court’s policy, only the Clerk of Court may assign amounts for specified purposes
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Clerk of Court considers the restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk of Court considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk of Court has provided otherwise in its commitment or assignment actions.

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

LA 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 liability to the parish is limited to the amount received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books.

F. Revenues, Expenditures and Expenses

Revenues

Fees, charges and commissions for services are recorded when the Clerk of Court is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function and in the fund financial statements, expenditures are classified by type.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts utilizing the direct write-off method. Although this method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2023.

H. 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 and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds with a fiscal agent bank organized under the laws of the State 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 or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

ST. MARY PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

At June 30, 2023, the Clerk of Court has cash and cash equivalents (book balances) totaling \$2,766,664 as follows.

	Governmental Fund	Fiduciary Funds	Total Book Balance
Cash	\$ 300	\$ -	\$ 300
Demand deposits	738,452	1,827,912	2,566,364
Time deposits	200,000	-	200,000
Total	\$ 938,752	\$ 1,827,912	\$ 2,766,664

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 bank. These securities are held in the name of the Clerk of Court in a holding or custodial bank that is mutually acceptable to both parties.

These deposits (bank balances) are secured from risk as follows:

	Governmental Fund	Fiduciary Funds	Total
Bank balance	\$ 748,934	\$ 2,070,817	\$ 2,819,751
Secured by:			
FDIC coverage	450,000	250,000	700,000
Pledged securities	298,934	1,820,817	2,119,751
	\$ 748,934	\$ 2,070,817	\$ 2,819,751

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Clerk of Court does not have a policy that limits allowable deposits or to monitor or attempt to reduce exposure to custodial credit risk. At June 30, 2023, deposits in the amount of \$2,119,751 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the Clerk of Court's fiscal agent but not in the Clerk of Court's name.

ST. MARY PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

(3) Investments

State law allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. Government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks; certain account of federally of state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporation.

As of June 30, 2023, the Clerk of Court had the following investments and maturities (in years):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>
LAMP	<u>763,698</u>	<u>763,698</u>

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Clerk of Court will not be able to recover the value of its investment. The Clerk of Court does not have an investment policy that conforms to state law, as described above, which has no provision for custodial risk.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Clerk of Court does not have an investment policy that conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The types of investments allowed by state law ensure that the Clerk of Court is not exposed to credit risk.

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

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

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

- Credit risk: LAMP is rated AAAm by Standard & Poor's. Custodial credit risk. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities

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Notes to Financial Statements (continued)

that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of June 30, 2023.
- Foreign currency risk: Not applicable to 2a7-like pools.

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.

Fair Value Measurements

To the extent available, the Clerk of Court's investments are recorded at fair value as of June 30, 2023. GASB Statement No. 72, *Fair Value Measurements and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Clerk of Court measures its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1-quoted prices for identical investments in active markets
- Level 2-observable inputs other than quoted market prices
- Level 3-unobservable inputs

The Clerk of Court's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external pool is the same as the net asset value of the pool shares.

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Notes to Financial Statements (continued)

(4) Due from other Governmental Units

Individual balances due from other governments are as follows:

State of Louisiana:	
Department of Children and Family Services	<u>\$ 3,485</u>

(5) Capital Assets

Capital asset activity for the year follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Furniture and fixtures	\$ 389,825	\$ -	\$ -	\$ 389,825
Office equipment	423,236	-	-	423,236
Leasehold improvements	318,217	-	-	318,217
Total	1,131,278	-	-	1,131,278
Less: accumulated depreciation	(1,097,126)	(11,411)	-	(1,108,537)
Total depreciable capital assets, net	34,152	(11,411)	-	22,741
Intangible right-to-use asset:				
Leased vehicle	44,248	-	-	44,248
Less: accumulated amortization	(14,755)	(13,620)	-	(28,375)
Intangible right-to-use asset, net	29,493	(13,620)	-	15,873
Net capital assets	\$ 63,645	\$ (25,031)	\$ -	\$ 38,614

Depreciation and amortization expense of \$25,031 was charged to the general government function.

The leased asset discussed in Note 6 will be amortized over the lease term. Unamortized lease asset to be amortized in future periods is as follows:

Year Ending June 30.	Unamortized Lease Asset
2024	13,620
2025	2,253
	\$ 15,873

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Notes to Financial Statements (continued)

(6) Leases

During the year ended June 30, 2021, the Clerk of Court leased a vehicle with a term of 39 months. The Clerk of Court recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

The following is a summary of changes in the lease liability for the year ended June 30, 2023:

	Balance	Additions	Reductions	Balance	One Year
Lease liability	\$ 29,837	\$ -	\$ (13,568)	\$ 16,269	\$ 13,916

At the commencement of a lease, the Clerk of Court initially measures the lease liability at the present value of payments expected to be made during the lease term. For purposes of discounting future payments on the lease, the Clerk of Court used the interest rate of 2.53%. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

Lease assets are reported with capital assets on the statement of net position. The leased vehicle and accumulated amortization of the right-to-use asset is outlined in Note 5.

Minimum lease payments through the lease term are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	13,916	251	14,167
2025	2,353	7	2,360
	\$ 16,269	\$ 258	\$ 16,527

(7) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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 system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. MARY PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Plan Description

Substantially all employees of the Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund (hereinafter "Fund"), 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. 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% 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).

ST. MARY PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

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 $\frac{1}{4}$ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement 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.

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Notes to Financial Statements (continued)

Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in his account (subject to approval by the Board of Trustees) The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate his original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments

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

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the plan year ended June 30, 2022, the actual employer contribution rate was 22.25%.

Non-employer Contributions

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 System for the Clerk of Court's fiscal year ended June 30, 2023, was \$83,763.

ST. MARY PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the Clerk of Court reported liabilities in its government-wide financial statements of \$1,677,148 for its proportionate share of the net pension liabilities of the Fund. The net pension liabilities were measured as of June 30, 2022 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed 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, 2022, the Clerk of Court's proportional share of the Fund was 0.691960%, which was a decrease of 0.032690 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Clerk of Court recognized pension expense of \$274,081.

At June 30, 2023, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 15,902	\$ 15,245
Changes of assumptions	123,074	-
Net difference between projected and actual earnings on pension plan investments	358,818	-
Changes in proportion and differences between employer contributions and proportionate share of contributions		83,266
Employer contributions subsequent to the measurement date	161,244	-
	\$ 659,038	\$ 98,511

The \$161,244 reported as deferred outflows of resources related to pensions resulting from Clerk of Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Notes to Financial Statements (continued)

Fiscal Year Ending		
2023	\$	122,826
2024		103,675
2025		9,874
2026		162,908
	\$	399,283

Actuarial 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.

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

	Louisiana Clerks' of Court Retirement and Relief Fund
Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.55%, net of investment expense, including inflation
Projected Salary Increases	1-5 years of service - 6.2% 5 years or more - 5%
Inflation Rate	2.40%
Mortality Rates	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale.
Expected Remaining Service Lives	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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Notes to Financial Statements (continued)

The actuarial assumptions used are based on the assumptions used in the 2022 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 changed after the experience study period, assumptions were based on future expectations.

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 investment rate of return was 6.55%, which was the same from the rate used as of June 30, 2021. 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, 2022. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2022 is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income:		
Domestic Bonds	25.00%	2.50%
International Bonds		3.50%
Domestic Equity	38.00%	7.50%
International Equity	22.00%	8.50%
Real Estate	15.00%	4.50%
	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 6.55%, which was the same from the rate used as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement System's Actuarial Committee (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 to total pension liability.

ST. MARY PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate 6.55%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.55% or one percentage point higher 7.55% than the current rate:

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
Net Pension Liability	\$ 2,393,900	\$ 1,677,148	\$ 1,073,276

Payables to the Pension Plan

The Clerk of Court recorded no accrued liabilities related to the Fund for the year ended June 30, 2023.

Retirement Fund Audit Report

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a standalone audit report on their financial statements for the year ended June 30, 2022. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

(8) Post-retirement Benefits

Plan description

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

Benefits provided

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

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Notes to Financial Statements (continued)

Employees covered by benefit terms

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

Inactive employees currently receiving benefits payments	16
Active employees	13
Total	29

The Clerk of Court's total OPEB liability of \$2,789,275 was measured as of June 30, 2023 and was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions and other inputs.

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

Inflation:	2.40%
Salary Increases, including inflation:	3.25%
Discount Rate:	3.86%
Health Care Cost Trend Rates	
Medical:	-0.03% for 2022, 6.25% for 2023, decreasing 0.25% per year to an ultimate rate of 5.0% for 2028 and later years.
Medicare Advantage:	-11.63% for 2022, 4.25% for 2023, decreasing 0.25% per year to an ultimate rate of 3.0% for 2028 and later years. Includes 2% per year for aging.
Dental:	0.0% for 2022, 3.0% per year thereafter
Vision:	-5.46% for 2022, 2.5% per year thereafter.
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 0% for dependents.
Medicare Supplement:	0% for retirees and 0% for dependents.
Dental:	0% for retirees and 0% for dependents
Vision:	0% for retirees and 0% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the June 30, 2023 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

ST. MARY PARISH CLERK OF COURT
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Notes to Financial Statements (continued)

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Retiree mortality table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

The actuarial assumptions used were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

Changes in Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 6/30/2022	<u>\$ 3,124,956</u>
Charges for the year:	
Service Cost	26,256
Interest	113,776
Differences between expected and actual experience	(17,466)
Changes in Assumptions/Inputs	(322,584)
Benefit Payments	<u>(135,663)</u>
Net Changes	<u>(335,681)</u>
Balance at 6/30/2023	<u>\$ 2,789,275</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 of Court's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease 2.86%	Discount Rate 3.86%	1% Increase 4.86%
Total OPEB Liability	<u>\$ 3,129,140</u>	<u>\$ 2,789,275</u>	<u>\$ 2,408,247</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 of Court, as well as what the Clerk of Court's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 2,535,270</u>	<u>\$ 2,789,275</u>	<u>\$ 3,099,961</u>

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

For the year ended June 30, 2023, the Clerk of Court recognized an OPEB expense of \$(106,394). At June 30, 2023, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 179,850	\$ 51,463
Changes in assumptions or other inputs	123,140	1,204,737
Total	\$ 302,990	\$ 1,256,200

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

Year Ending June 30	
2024	\$ (246,427)
2025	(278,217)
2026	(278,217)
2027	(150,349)
	\$ (953,210)

(9) Net Position

Net position is presented as net investments in capital assets and unrestricted on the Clerk of Court's government-wide statement of net position. A component of the Clerk of Court's net position is significantly affected by transactions that resulted in the recognition of deferred outflow of resources and deferred inflow of resources, and the difference between the deferred outflow of resources and deferred inflow of resources and the balance of the related asset or liability is significant. As discussed in Notes 7 and 8, the Clerk of Court's recognition of net pension liability in accordance with GASBS No. 68 and OPEB obligations in accordance with GASBS No. 75 significantly affected the Clerk of Court's unrestricted portion of net position as of June 30, 2023.

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

(10) Changes in Fiduciary Net Position

A summary of changes in custodial fund net position follows:

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Custodial Funds</u>
Net position, beginning	\$ 1,216,341	\$ 1,663,869	\$ 2,880,210
Additions	1,145,088	3,717	1,148,805
Reductions	<u>1,069,915</u>	<u>631,188</u>	<u>1,701,103</u>
Net position, ending	<u>\$ 1,291,514</u>	<u>\$ 1,036,398</u>	<u>\$ 2,327,912</u>

(11) Compensated Absences

The following is a summary of changes for the year ended June 30, 2023:

Compensated absences payable, July 1, 2022	\$ 19,127
Additions	26,087
Reductions	<u>24,534</u>
Compensated absences payable, June 30, 2023	<u>\$ 20,680</u>

The Clerk of Court's policy requires the disposition of available compensated absences by December 31st of each calendar year. Therefore, the compensated absence liability is presented as a component of current liabilities on the financial statements.

(12) Risk Management

The Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Clerk of Court is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended June 30, 2023. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

(13) Expenditures of the Clerk of Court Paid by the Parish Council

The Clerk of Court's office is located in the St. Mary Parish Courthouse, which is owned by the Parish of St. Mary. The parish government provides utilities and maintenance for operation of the courthouse. The parish government also furnishes the Clerk of Court's office with other operational materials and supplies. These expenditures are not reflected in the accompanying financial statements and are as follows for the year ended June 30, 2023:

Materials and Supplies		Building and Utilities	
Printing Forms	\$ 518	Internet	4,200
Book binding	14,485	Rental equipment	25,277
Equipment lease	70,112	Office equipment maintenance	13,800
Office supplies	14,421	Total building and utilities	43,278
Total material and supplies	99,536	Total	\$ 142,813

(14) Compensation and Other Payments to Agency Head

Act 706 of the 2014 Legislative Session amended R.S. 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to and on behalf of the Clerk of Court, Clifford Dressel, for the year ended June 30, 2023 are as follows:

Salary	\$ 163,318
Benefits - Insurance	15,962
Benefits - Retirement	49,812
Benefits - Deferred compensation	14,250
Election expense allowance	2,400
	\$ 245,742

(15) Current Accounting Standards Scheduled to be Implemented

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the Clerk of Court's financial report:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This standard is effective for annual reporting periods beginning after June 15, 2023. The effect of standard or its applicability to the Clerk of Court is unknown at this time.

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Financial Statements (continued)

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard is effective for annual reporting periods beginning after December 15, 2023. The effect of standard or its applicability to the Clerk of Court is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Fees, charges and commissions for services:				
Court costs, fees and charges	\$ 855,000	\$ 855,000	\$ 946,736	\$ 91,736
Fees for recording legal documents	575,000	575,000	618,934	43,934
Fees for certified copies of documents	45,000	45,000	56,580	11,580
Marriage licenses	3,000	3,000	2,720	(280)
Miscellaneous	20,000	20,000	25,127	5,127
Intergovernmental	-	-	25,700	25,700
Use of money and property - interest earnings	2,000	2,000	18,025	16,025
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,693,822</u>	<u>193,822</u>
EXPENDITURES				
General government:				
Personal service and related benefits	1,484,000	1,484,000	1,447,513	36,487
Operating services	85,000	85,000	82,603	2,397
Materials and supplies	8,400	8,400	7,982	418
Travel and other charges	18,800	18,800	796	18,004
Debt service -				
Lease obligations	-	-	14,166	(14,166)
Total expenditures	<u>1,596,200</u>	<u>1,596,200</u>	<u>1,553,060</u>	<u>43,140</u>
Net change in fund balance	(96,200)	(96,200)	140,762	236,962
Fund balance, beginning	<u>1,093,084</u>	<u>1,093,084</u>	<u>1,093,084</u>	<u>-</u>
Fund balance, ending	<u>\$ 996,884</u>	<u>\$ 996,884</u>	<u>\$ 1,233,846</u>	<u>\$ 236,962</u>

See independent auditor's report and notes to required supplementary information.

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended June 30, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability						
Service cost	\$ 41,828	\$ 43,050	\$ 19,126	\$ 47,461	\$ 26,877	\$ 26,256
Interest	155,671	135,121	141,143	86,695	69,546	113,776
Differences between expected and actual experience	(9,384)	(162,241)	176,163	(18,219)	156,528	(17,466)
Changes in assumptions or other inputs	-	361,028	(1,196,918)	125,938	(650,557)	(322,584)
Benefits payments	<u>(171,560)</u>	<u>(173,862)</u>	<u>(147,417)</u>	<u>(129,826)</u>	<u>(145,513)</u>	<u>(135,663)</u>
Net change in total OPEB liability	16,555	203,096	(1,007,903)	112,049	(543,119)	(335,681)
Total OPEB liability, beginning	<u>4,344,278</u>	<u>4,360,833</u>	<u>4,563,929</u>	<u>3,556,026</u>	<u>3,668,075</u>	<u>3,124,956</u>
Total OPEB liability, ending	<u>\$ 4,360,833</u>	<u>\$ 4,563,929</u>	<u>\$ 3,556,026</u>	<u>\$ 3,668,075</u>	<u>\$ 3,124,956</u>	<u>\$ 2,789,275</u>
Covered employee payroll	<u>\$ 748,004</u>	<u>\$ 730,323</u>	<u>\$ 741,199</u>	<u>\$ 731,399</u>	<u>\$ 708,409</u>	<u>\$ 724,693</u>
Total OPEB liability as a percentage of covered employee payroll	<u>583.0%</u>	<u>624.9%</u>	<u>479.8%</u>	<u>501.5%</u>	<u>441.1%</u>	<u>384.9%</u>

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See independent auditor's report and notes to required supplementary information.*

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Schedule of Employer's Share of Net Pension Liability
Year Ended June 30, 2023

Plan Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.866400%	\$ 1,168,654	\$ 787,696	148.36%	79.37%
2015	0.874817%	\$ 1,312,253	\$ 779,553	168.33%	78.13%
2016	0.881513%	\$ 1,630,776	\$ 774,548	210.55%	74.17%
2017	0.835017%	\$ 1,263,326	\$ 753,299	167.71%	79.69%
2018	0.805624%	\$ 1,339,995	\$ 748,004	179.14%	79.07%
2019	0.751101%	\$ 1,363,993	\$ 730,323	186.77%	77.93%
2020	0.747516%	\$ 1,798,423	\$ 741,199	242.64%	72.09%
2021	0.724650%	\$ 963,957	\$ 731,399	131.80%	85.40%
2022	0.691960%	\$ 1,677,148	\$ 708,409	236.75%	74.09%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See independent auditor's report and notes to required supplementary information.*

ST. MARY PARISH CLERK OF COURT
Franklin, Louisiana

Schedule of Employer Pension Contributions
Year Ended June 30, 2023

Fiscal Year Ended June 30,	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	\$ 144,217	\$ 144,217	\$ -	\$ 779,553	18.50%
2016	\$ 147,164	\$ 147,164	\$ -	\$ 774,548	19.00%
2017	\$ 143,127	\$ 143,127	\$ -	\$ 753,299	19.00%
2018	\$ 142,121	\$ 142,121	\$ -	\$ 748,004	19.00%
2019	\$ 138,761	\$ 138,761	\$ -	\$ 730,323	19.00%
2020	\$ 140,828	\$ 140,828	\$ -	\$ 741,199	19.00%
2021	\$ 153,594	\$ 153,594	\$ -	\$ 731,399	21.00%
2022	\$ 157,621	\$ 157,621	\$ -	\$ 708,409	22.25%
2023	\$ 161,244	\$ 161,244	\$ -	\$ 724,693	22.25%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See independent auditor's report and notes to required supplementary information.*

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

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

(2) Budget Adoption

The following procedures apply to establishing the budgetary data reflected in the supplementary information:

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

(3) Retirement Systems

A. Changes of Benefit Terms -

There were no changes of benefit terms.

B. Changes of Assumptions –

Plan Year ended June 30.	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2014	7.25%	7.25%	2.75%	5	5.75%
2015	7.00%	7.00%	2.50%	5	5.00%
2016	7.00%	7.00%	2.50%	5	5.00%
2017	7.00%	7.00%	2.50%	5	5.00%
2018	6.75%	6.75%	2.50%	5	5.00%
2019	6.75%	6.75%	2.50%	5	5.00%
2020	6.75%	6.75%	2.50%	5	5.00%-6.20%
2021	6.55%	6.55%	2.40%	5	5.00%-6.20%
2022	6.55%	6.55%	2.40%	5	5.00%-6.20%

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Notes to Required Supplementary Information (continued)

(4) Other Postemployment Benefits

- A. Changes of Benefits Terms - None
- B. Changes of Assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount and mortality rates used in each period.

<u>Period</u>	<u>Discount Rate</u>
2018	3.62%
2019	3.13%
2020	2.45%
2021	1.92%
2022	3.69%
2023	3.86%

<u>Period</u>	<u>Mortality Rates</u>	<u>Source</u>
2018	RPH-2014 Employee and Healthy Annuitant, Generational with MP-2018	
2019	PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2018	
2020	PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2019	
2021	PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2020	
2022-2023	PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2021	

- C. No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

SUPPLEMENTARY INFORMATION

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Justice System Funding Schedule
Receiving Entity
Year Ended June 30, 2023

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>06/30/2023</u>
Receipts From:		
St. Mary Parish Sheriff- Criminal Fines	\$ 21,062	\$ 27,722
St. Mary Parish Sheriff- Bond Fees	<u>1,226</u>	<u>1,170</u>
Total Receipts	<u>\$ 22,288</u>	<u>\$ 28,892</u>

See independent auditor's report

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Justice System Funding Schedule
Collecting/Disbursing Entity
Year Ended June 30, 2023

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>06/30/2023</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected	\$ 1,354,345	\$ 1,440,867
Add: Collections		
Civil Fees	553,308	592,180
Interest Earnings on Collected Balances	<u>920</u>	<u>10,799</u>
Subtotal Collections	<u>554,228</u>	<u>602,979</u>
Less: Disbursements To Governments & Nonprofits:		
Acadia Parish Sheriff - Civil Fees	36	91
Ascension Parish Sheriff - Civil Fees	148	112
Assumption Parish Sheriff - Civil Fees	932	813
Avoyelles Parish Sheriff - Civil Fees	-	68
Caddo Parish Sheriff - Civil Fees	85	35
Calcasieu Parish Sheriff - Civil Fees	175	116
Cameron Parish Sheriff - Civil Fees	78	-
Catahoula Parish Sheriff - Civil Fees	-	70
Desoto Parish Sheriff - Civil Fees	-	60
East Baton Rouge Parish Sheriff - Civil Fees	7,451	7,800
Evangeline Parish Sheriff - Civil Fees	-	181
Iberia Parish Sheriff - Civil Fees	1,270	1,481
Iberville Parish Sheriff - Civil Fees	-	40
Jefferson Davis Parish Sheriff - Civil Fees	-	36
Jefferson Parish Sheriff - Civil Fees	1,380	870
Lafayette Parish Sheriff - Civil Fees	3,099	2,827
Lafourche Parish Sheriff - Civil Fees	737	726
Livingston Parish Sheriff - Civil Fees	89	43
Madison Parish Sheriff - Civil Fees	60	90
Orleans Parish Sheriff - Civil Fees	1,340	1,440
Ouachita Parish Sheriff - Civil Fees	66	109
Plaquemines Parish Sheriff - Civil Fees	30	-
Rapides Parish Sheriff - Civil Fees	62	-
St. Bernard Parish Sheriff - Civil Fees	67	67
St. James Parish Sheriff - Civil Fees	55	56
St. Landry Parish Sheriff - Civil Fees	-	107
St. Martin Parish Sheriff - Civil Fees	218	313

(continued)

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Justice System Funding Schedule
Collecting/Disbursing Entity (continued)
Year Ended June 30, 2023

St. Mary Parish Sheriff - Civil Fees	28,933	35,471
St. Tammany Parish Sheriff - Civil Fees	335	550
Tangipahoa Parish Sheriff - Civil Fees	52	57
Tensas Parish Sheriff - Civil Fees	15	-
Terrebonne Parish Sheriff - Civil Fees	1,476	1,219
Vermilion Parish Sheriff - Civil Fees	193	282
West Feliciana Sheriff- Civil Fees	-	44
First Circuit Court of Appeals Clerk of Court- Civil Fees	-	328
Louisiana Dept. of Treasurer - Unclaimed Property	27,337	-
Louisiana Secretary of State - Civil Fees	2,900	3,050
Louisiana Supreme Court - Civil Fees	385	330
Louisiana Clerks Remote Access Authority- Criminal Fees	730	1,000
St. Mary Parish Government - Criminal Fees	663	10,913
Louisiana Supreme Court Judicial Administrator - La. Judicial College Fees	218	275
Louisiana State Treasurer - Judges' Supplemental Compensation Fund	12,284	15,079
16th Judicial District Court- Judicial Expense Fund	15,327	18,498
Louisiana Dept. of Justice	-	74
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency- Civil Fees	293,230	355,548
Less: Disbursements to Individuals 3rd Party Collection or Processing Agencies		
Civil Fee Refunds	62,082	130,031
Other Disbursements to Individuals	4,168	6,871
Subtotal Disbursements/Retainage	<u>66,250</u>	<u>136,902</u>
Total Ending Balance of Amounts Collected but not Disbursed Retained	<u>\$ 1,440,867</u>	<u>\$ 1,446,675</u>

See independent auditor's report

INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

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 Clifford Dressel
St. Mary Parish Clerk of Court
Franklin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Mary Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Parish of St. Mary, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated October 24, 2023.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24.513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
October 24, 2023

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Schedule of Audit Results and Findings
Year Ended June 30, 2023

Part I: Summary of Auditor's Results

Financial Statements

1. Type of auditor's opinion issued on financial statements:

Opinion Unit	Type of Opinion
Governmental activities Major fund. General	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ no	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ no	_____ <input checked="" type="checkbox"/> none reported

3. Noncompliance material to the financial statements? _____ yes _____ no

Other

4. Management letter issued? _____ yes _____ no

Part II: Findings Required to be Reported in Accordance with *Government Auditing Standards*

Internal Control –

There are no findings reported in this section.

Compliance –

There are no findings reported in this section.

Part III: Findings and Questioned Costs Reported in Accordance with Uniform Guidance

The requirements of the Uniform Guidance do not apply.

ST MARY PARISH CLERK OF COURT
Franklin, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

A. Internal Control –

No findings were reported under this section.

B. Compliance –

No findings were reported under this section.

C. Uniform Guidance –

Not applicable in prior year.

D. Management Letter –

Not issued in the prior year.

CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

APPENDIX A

There are no items requiring corrective action.

ST. MARY PARISH CLERK OF COURT

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2022 through June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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Brad E. Kolder, CPA, JD*
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Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Honorable Clifford Dressel, St. Mary Parish Clerk of Court, and
Louisiana Legislative Auditor

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

An agreed-upon procedures engagement involves the performing of specific procedures that the Clerk has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. However, 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 exceptions, if any, are as follows:

1) Written Policies and Procedures

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

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

Written policies and procedures were obtained and address the subcategories noted above.

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

Written policies and procedures were obtained and address the subcategories noted above.

- iii. **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the subcategories noted above
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Written policies and procedures were obtained and address the subcategories noted above
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Written policies and procedures were obtained and address the subcategories noted above
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained and address the subcategories noted above.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and address the subcategories noted above.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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 address the subcategories noted above
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Written policies and procedures were obtained and address the subcategories noted above.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
The Clerk has not adopted formal debt service policies and procedures; however, the Clerk maintains no debt.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Written policies and procedures were obtained and address the subcategories noted above with the exception of (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.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Written policies and procedures were obtained and address the subcategories noted above.

2) Board or Finance Committee

Not applicable – The Clerk is an independently elected official.

- A. Obtain and inspect the board finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

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

Obtained a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account, and four (4) additional accounts were randomly selected. Obtained and inspected the corresponding bank statements and reconciliations for each account.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
No exceptions were found as a result of this procedure.
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

One (1) of the five (5) account reconciliations selected were prepared by a member of management who handles cash, posts ledgers, or issues checks. Further, three (3) of the five (5) account reconciliations were reviewed by a member of management who handles cash, posts ledgers, or issues checks.

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

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

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

Obtained 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. Selected the Clerk's one (1) deposit site

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:

Obtained a listing of collection locations and management's representation that the listing is complete. Selected the Clerk's one (1) collection location.

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

Employees responsible for cash collections share cash drawers.

- ii. Each employee responsible for collecting cash is not also 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 found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Obtained from management a copy of the insurance policy for theft covering all employees who have access to cash and observed that the insurance policy for theft was enforced during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
No exceptions were found as a result of this procedure.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions were found as a result of this procedure.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions were found as a result of this procedure.
- iv. 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 and the cash is stored securely in a locked safe or drawer).
No exceptions were found as a result of this procedure.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions were found as a result of this procedure.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments and management's representation that the listing is complete. Selected the Clerk's one (1) location.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase:
No exceptions were found as a result of this procedure
 - ii. At least two employees are involved in processing and approving payments to vendors:
No exceptions were found as a result of this procedure
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files:
The employee responsible for processing payments is not prohibited from adding/modifying vendor files. Another employee is not responsible for periodically reviewing changes to vendor files
 - iv. Either the employee official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions were found as a result of this procedure.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions were found as a result of this procedure.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions were found as a result of this procedure.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and or account for testing that does include electronic disbursements.
Not applicable. Only payroll and payroll-related items are electronically disbursed.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards, including the card numbers, the names of the persons who maintained possession of the cards, and management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. 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
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
No exceptions were found as a result of this procedure.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Selected the three (3) transactions from the selected statement. One (1) of the three (3) transactions did not have a receipt/supporting documentation for the transaction; however, the charge was for a monthly subscription/service fee.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and 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

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. Selected the Clerk's four (4) reimbursements

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
No exceptions were found as a result of this procedure.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions were found as a result of this procedure.
- iii. 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 Policies and Procedures procedure #1A(vii); and
No exceptions were found as a result of this procedure.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions were found as a result of this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. 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

Obtained 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. Randomly selected five (5) contracts

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

No contracts selected were subject to the requirements of the Louisiana Public Bid Law.

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

The Clerk is an independently elected official. Approval of contracts is not required by policy or law.

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

There were no amendments to the selected contracts.

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

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

Obtained a listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected five (5) employees or officials and agreed paid salaries to authorized salaries/pay rates in personnel files with no exceptions.

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

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

Three (3) of the five (5) employees selected did not have documentation of their daily attendance. Attendance is not documented for full-time employees as earnings are based on salary; however, detailed leave records maintained include absences when the schedule is deviated from

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Obtained management's representation that there were no termination payments during the fiscal period

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

Obtained management's representation that all amounts have been paid, and any associated forms have been filed, by required deadlines

10) Ethics

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

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

One (1) of the five (5) employees did not complete one hour of ethics training during the calendar year

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

Not applicable. There were no changes to the Clerk's ethics policy during the fiscal period.

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

The Clerk has not appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

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

Obtained management's representation that no bonds/notes were issued during the fiscal period.

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

Obtained management's representation that no bonds/notes were outstanding at the end of the fiscal period.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24.523.

Obtained management's representation that there were no misappropriations of public funds and assets during the fiscal period.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24.523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

One (1) of the five (5) employees did not complete one hour of sexual harassment training during the calendar year

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

No exceptions were found as a result of this procedure

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

Obtained the Clerk's annual sexual harassment report for the current fiscal period and observed that the report was dated after February 1

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure.

Management's Response

The Clerk concurs with the exceptions and is working to address the deficiencies identified.

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 provisions of *Government Auditing Standards*, issued by the United States Comptroller General. 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 control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the Clerk's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
October 24, 2023