

*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the St. John the Baptist Clerk of Court (the Clerk of Court) as of and for the year ended June 30, 2019, 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.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions.

*Continued,*

***Basis for Qualified Opinion***

The financial statements for the prior year ended June 30, 2018 were issued subject to a disclaimer of opinion and were not a complete presentation of the Clerk of Court’s reporting entity. Financial statements related to the general fund and governmental activities were not presented. We were unable to perform sufficient audit procedures to determine if the net position beginning balances recorded in the government activities at July 1, 2019 stated at (\$1,859,235) for the year ended June 30, 2019 was fairly stated.

In addition, the fiduciary fund recorded a balance in due to litigants and others totaling \$3,252,322. Subsidiary ledgers were not maintained that identified the specific cases and respective balances that supported the due to litigant balance reported. Accordingly we were unable to determine if this balance was fairly stated.

***Opinions***

In our opinion, except for effects described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the St. John the Baptist Clerk of Court, as of June 30, 2019, 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.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 4–8, schedule of proportionate share of the net pension liability and schedule of contributions and the related notes to required supplemental information on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court’s basic financial statements. The schedule of compensation, benefits, and other payments to agency head (the schedule) is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and is presented for purposes of additional analysis and is not a required part of the basic financial statements.

*Continued,*

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, 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 Registrar's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co", is written in a cursive style.

Luther Speight & Company CPAs  
New Orleans, Louisiana  
December 14, 2022

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

The management discussion and analysis of St. John The Baptist Parish – Clerk of Court's financial performance provides an overview of the financial activities for the year. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements. The Clerk's previous year's financial statements were issued subject to a disclaimer of opinion and did not include a complete presentation of governmental activities and certain other major funds. Accordingly, the management discussion and analysis is limited to the financial activities for the year ended June 30, 2019.

**FINANCIAL HIGHLIGHTS**

- The liabilities of the Clerk of Court exceeded its assets by \$2,366,344 at June 30, 2019. The Clerk of Court has an unrestricted net deficit of \$2,081,318 in governmental activities.
- During the year, the Clerk of Court had expenses of \$2,371,909, which was \$334,735 more than the \$2,037,174 of revenue generated by governmental programs during the year.
- Governmental funds reported an ending fund balance of \$1,010,057.
- Total governmental fund revenues were \$2,149,826 in the current year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

Continued,

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

**FUND FINANCIAL STATEMENTS**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The liabilities of the Clerk of Court exceeded its assets by \$2,366,344 at June 30, 2019. The Clerk of Court has an unrestricted net deficit of (\$2,081,318) net position. The following table reflects condensed information on the Clerk of Court's net position:

<b>Assets</b>	
Cash and Cash Equivalents	\$ 884,778
Certificates of Deposit	100,406
Receivables	3,590
Due From Other Governments	125,607
Total Assets	<u>\$ 1,114,381</u>
 <b>Deferred Outflows of Resources</b>	
Pension Deferrals	514,357
Total Deferred Outflows of Resources	<u>\$ 514,357</u>
 <b>Liabilities</b>	
Accounts Payable	99,664
Pension Liabilities	3,381,061
Total Liabilities	<u>\$ 3,480,725</u>
 <b>Deferred Inflows of Resources</b>	
Pension Deferrals	229,331
Total Deferred Inflows of Resources	<u>\$ 229,331</u>
 <b>Net Position</b>	
Net Investment in Capital Assets	-
Unrestricted Deficit	(2,081,318)
<b>Total Net Position (Deficit)</b>	<u>\$ (2,081,318)</u>

**ST. JOHN THE BAPTIST PARISH - CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

Continued,

The Clerk of Court had \$43,994 in net position subject to restrictions in the current year. Restricted net position relates to any surplus fund balance for the Eastbank Expense Fund, a special revenue fund. The Clerk of Court's total revenues for the year in governmental activities were \$2,149,826 (\$2,037,174 in program revenues and \$112,652 in general revenues).

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

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

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

As of the end of the current fiscal year, the Clerk of Court's governmental funds reported combined ending fund balances of \$1,010,057. Unassigned fund balance was reported at \$966,063.

The General Fund is the primary fund of the Clerk of Court. As of June 30, 2019, the General Fund had an unassigned fund balance of \$966,063. As a measure of the General Fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. The unassigned fund balance represents 55% of total General Fund expenditures in the current year.

The fund balance of the Eastbank Expense (Eastbank) special revenue fund increased by \$43,994 during the current fiscal year due to a transfer from the General Fund to resolve a re-occurring deficit fund balance in the Eastbank Expense Fund.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**BUDGETARY HIGHLIGHTS**

The Clerk of Court's budget is prepared according to Louisiana law. During the course of the year, the Clerk of Court revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less, or anticipated expenditures in excess, of budgetary goals by 5% or more. A statement reporting the Clerk of Court's original budgets compared with actual operating results is provided in the Schedules beginning on page 42.

A comparison of actual results as of June 30, 2019 and the original budget for the General Fund are as follows:

	<b>Budget</b>	<b>Actual</b>	<b>Final Budget</b>
Total Revenues	\$ 1,899,900	\$ 2,025,908	\$ (126,008)
Total Expenses	1,899,900	1,768,353	131,547

**CAPITAL ASSETS**

The Clerk did not report capital assets on their financial statements. Facilities and occupancy are provided by the Parish Government and the Clerk's furniture and equipment were considered not material. There was no depreciation expense recorded for the year.

**ECONOMIC AND OTHER FACTORS BEARING ON THE CLERK'S FUTURE**

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

**REQUESTS FOR INFORMATION**

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
AS OF JUNE 30, 2019**

<b>Assets</b>	
Cash and Cash Equivalents	\$ 884,778
Certificates of Deposit	100,406
Receivables	3,590
Due From Other Governments	125,607
<b>Total Assets</b>	<u><u>1,114,381</u></u>
 <b>Deferred Outflows of Resources</b>	
Pension Deferrals	514,357
<b>Total Deferred Outflows of Resources</b>	<u>514,357</u>
 <b>Liabilities</b>	
Accounts Payable	99,664
Pension Liabilities	3,381,061
<b>Total Liabilities</b>	<u><u>3,480,725</u></u>
 <b>Deferred Inflows of Resources</b>	
Pension Deferrals	229,331
<b>Total Deferred Inflows of Resources</b>	<u>229,331</u>
 <b>Net Position</b>	
Net Investment in Capital Assets	-
Unrestricted Deficit	(2,081,318)
<b>Total Net Position (Deficit)</b>	<u><u>\$ (2,081,318)</u></u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT**  
**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES**  
**AS OF JUNE 30, 2019**

	Expenses	Program Revenues Charges for Services	Net (Expenses)/Revenues
Governmental Activities:			
General Government	\$ 2,371,909	\$ 2,037,174	\$ (334,735)
Total governmental Activities:			(334,735)
General Revenues:			
Miscellaneous Revenue			102,998
Interest and Investment Earnings			9,654
Total General Revenues			112,652
Changes in Net Position			(222,083)
Net Position - Beginning			(1,859,235)
Net position - Ending			\$ (2,081,318)

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2019**

	<b>General Fund</b>	<b>East Bank Expense Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 864,788	\$ 19,990	\$ 884,778
Certificates of Deposit	100,406	-	100,406
Receivables, Net	3,590	-	3,590
Due From Other Governments	116,249	9,358	125,607
Due From Other Funds	-	14,646	14,646
<b>Total Assets</b>	<b>1,085,033</b>	<b>43,994</b>	<b>1,129,027</b>
<b>Liabilities</b>			
Accounts Payable	40,207	-	40,207
Accrued Expenses	64,117	-	64,117
Due to Other Funds	14,646	-	14,646
<b>Total Liabilities</b>	<b>118,970</b>	<b>-</b>	<b>118,970</b>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	-	43,994	43,994
Unassigned	966,063	-	966,063
<b>Total Fund Balance</b>	<b>966,063</b>	<b>43,994</b>	<b>1,010,057</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,085,033</b>	<b>\$ 43,994</b>	<b>\$ 1,129,027</b>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>East Bank Expense Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Licenses and Permits	\$ 5,910	\$ -	\$ 5,910
Fees, Charges and Commissions:			
Court Costs, Fees, and Charges	1,115,460	123,915	1,239,375
Recording Legal Documents	690,449	-	690,449
Certified Copies	101,440	-	101,440
Intergovernmental Revenues:			
State - Child Support Fees	32,480	-	32,480
Other Intergovernmental Revenues	70,518	-	70,518
Interest	9,651	3	9,654
<b>Total Revenues</b>	<u>2,025,908</u>	<u>123,918</u>	<u>2,149,826</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personnel Salaries and Related Benefits	1,412,401	151,128	1,563,529
Operating Services	306,002	-	306,002
Materials and Supplies	49,950	49	49,999
<b>Total Expenditures</b>	<u>1,768,353</u>	<u>151,177</u>	<u>1,919,530</u>
<b>Net Change in Fund Balance</b>	257,555	(27,259)	230,296
<b>Fund Balance, Beginning of Year</b>	<u>708,508</u>	<u>71,253</u>	<u>779,761</u>
<b>Fund Balance, End of Year</b>	<u>\$ 966,063</u>	<u>\$ 43,994</u>	<u>\$ 1,010,057</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

**Fund Balances, Total Governmental Funds** \$ 1,010,057

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

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

Governmental capital assets	-	
Less Accumulated Depreciation	-	
	-	-

Deferred outflows of resources related to the pension plan	514,357
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Deferred inflows of resources related to the pension plan	(229,331)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Compensated Absences	-	
Net Pension Liability	(1,844,445)	
Net OPEB obligation	(1,531,956)	
	(3,376,401)	(3,376,401)

<b>Net Position of Governmental Activities</b>	<b>\$ (2,081,318)</b>
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**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

**Net Change in Fund Balances, Total Governmental Funds** \$ 230,296

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

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

Capital Outlay	-
Depreciation Expense	-

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

Current year pension (expense) per the retirement system	(452,379.00)
Current year amortization of certain deferred outflows and inflows	-
Deferral of current year pension contributions made by the employer	-
Recognition of on-behalf payments made to pension plan by non-employer entities	-

Some activity reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in net OPEB obligation	-
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In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).

Compensated absences use exceeded the amounts earned by:	-
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ (222,083)</b>
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The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
AS OF JUNE 30, 2019**

**Assets**

Current Assets

Cash and cash equivalents	\$ 1,217,236
Certificates of deposit	<u>2,035,086</u>
Total Assets	<u><u>3,252,322</u></u>

**Liabilities**

Current Liabilities

Due to litigants and others	<u>3,252,322</u>
Total Liabilities	<u><u>3,252,322</u></u>

Total Liabilities and Net Assets	<u><u>\$ 3,252,322</u></u>
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The accompanying notes are an integral part of the financial statements.

ST. JOHN THE BAPTIST CLERK OF COURT  
STATEMENT OF CHANGES IN FIDUCIARY FUND BALANCE  
AS OF JUNE 30, 2019

ADDITIONS

Deposits on behalf of litigants	<u>\$ 2,019,583</u>
Total Additions	<u>2,019,583</u>

DEDUCTIONS:

Disbursements on behalf of litigants	<u>2,575,595</u>
Total Deductions	<u>2,575,595</u>
Change in Fiduciary Fund Balance	<u>(556,012)</u>

FIDUCIARY FUND BALANCE

Beginning of Year	<u>3,808,334</u>
End of Year	<u><u>\$ 3,252,322</u></u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the St. John the Baptist Parish Clerk of Court (the "Clerk of Court") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Clerk of Court's accounting policies are described below.

**Reporting Entity**

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

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

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

**Government-Wide and Fund Financial Statements**

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

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

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

**Governmental Funds:**

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

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

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Fiduciary Funds:

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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**Budgetary Accounting**

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

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

**Cash and Cash Equivalents**

For the purpose of the Statement of Net Position, cash includes all demand, savings accounts, and certificates of deposit with less than three months of maturity of the Clerk of Court.

**Capital Assets**

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

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

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**Deferred Outflows and Inflows of Resources**

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

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

**Compensated Absences**

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

**Equity Classifications**

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

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

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**Fund Balance**

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

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

**Interfund Transactions**

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

**Accounting Estimates**

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

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**Future Accounting Pronouncements**

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements address:

- Accounting and financial reporting for Other Post-Employment Benefits
- Fiduciary activities
- Omnibus; and
- Leases.

The Clerk of Court is currently evaluating the effects that these statements will have on its financial statements.

**Pensions**

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

**Subsequent Events**

Subsequent events have been evaluated through December 14, 2022, the date the financial statements were available to be issued, and no events material to the financial statements were noted for disclosure.

**NOTE 2: CASH AND CERTIFICATES OF DEPOSIT**

At June 30, 2019, the Clerk of Court had the following cash and certificates of deposit as follows:

Governmental Funds	\$ 985,184
Fiduciary Funds	3,252,322
<b>Total</b>	<b>\$ 4,237,506</b>

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

**NOTE 3: DUE FROM OTHER GOVERNMENTS**

At June 30, 2019, the Clerk of Court recorded amount due from other governments totaling \$125,607. Details supporting the specific jurisdictions which were due funds were not available.

**NOTE 4: CAPITAL ASSETS**

The Clerk did not maintain a detailed fixed asset schedule that included historical costs and the related accumulated depreciation. In addition, the current year depreciation expense, if any, was not recorded. As most of the furniture and fixtures are owned by the parish government, these amounts are not considered material.

**NOTE 5: PENSION PLAN**

**Plan Description**

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

**Benefits Provided**

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

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**Retirement**

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal  $3 \frac{1}{3}$  percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

**Disability Benefits**

Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

- 1) A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.

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- 2) A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

- The members' disability was caused solely as a result of injuries sustained in the performance of their official duties.
- The member has at least ten years of service credit.
- A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:
  - 1) Forty percent of their monthly average final compensation.
  - 2) Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).
- A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

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**Survivor's Benefits**

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. 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 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 1/2 of the member's accrued retirement benefit in equal shares. 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 thirty-six months and defer the receipt of benefits. During the year ended June 30, 2007 participants had to have been an active contributing member for one full year before becoming eligible for DROP. 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 Deferred Retirement Option Plan account.

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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 Fund. 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. 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 on 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. 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 thirty-six months. 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 provide a cost-of-living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later. In lieu of granting a cost-of-living increase as described above, 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.

In order to grant any cost-of-living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

**Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2019, the actual employer contribution rate was 19.00%. For the year ended June 30, 2019, the actuarially determined employer contribution rate was 19.00%.

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The actual rate can differ from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

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

At June 30, 2019, the Clerk of Court reported a liability of \$1,844,445 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Clerk of Court's proportion of the Net Pension Liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Clerk of Court's proportion was 1.015668%.

For the year ended June 30, 2019, the Clerk of Court recognized pension expense of \$363,475.

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At June 30, 2019, 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	\$ 51,789	\$ -
Net difference between projected and actual investment earnings on pension plan investments	142,894	-
Change in assumptions	117,903	-
Change in proportions	68,569	87,898
Total deferred outflows	\$ 381,155	\$ 87,898

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

Years Ending	Amounts
6/30/2020	\$ 115,928
6/30/2021	30,312
6/30/2022	80,833
6/30/2023	66,184
Total	\$ 293,257

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A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation date	June 30, 2019
Actuarial cost method	Entry age Normal
Investment rate of return	6.75%, net of investment expense
Projected salary increases	5.00%
Mortality rates	RP-2000 Employee Mortality Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
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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The actuarial assumptions used are based on the assumptions used in the 2019 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 - June 30, 2014 unless otherwise specified.

The mortality rate assumption used was verified by combining data from this plan with three 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, 2009 through June 30, 2014.

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

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.38% for the year ended June 30, 2019.

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The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2019 is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income:		
Domestic Bonds	20%	2.50%
International Bonds		3.50%
Domestic Equity	33%	7.50%
International Equity	27%	8.50%
Real Estate	10%	4.50%
Hedge Funds	10%	6.59%
	<u>100%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Clerk of Court's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Clerk of Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

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	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Clerk of Court's proportionate share of the net pension liability	\$ 2,740,539	\$ 1,844,445	\$ 1,084,245

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

**Pension Plan Fiduciary Net Position**

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

**NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN**

**General Information about the OPEB Plan**

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

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**NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

Benefits are provided through the Louisiana Clerks of Court Insurance Trust (“LCCIT”), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute §13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

*Benefits Provided.* The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 75% of retirees and 0% of dependent pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 75% of retiree life insurance premiums.

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

*Employees Covered by Benefit Terms.* At June 30, 2019, 29 active and retired employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	6
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>23</u>
Total	<u><u>29</u></u>

**Total OPEB Liability**

The Clerk of Court’s total other postemployment benefits liability of \$1,536,616 was measured as of June 30, 2019 and was determined by an actuarial valuation as January 1, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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**Total OPEB Liability (Continued)**

Inflation: 2.40%

Salary Increases, including inflation: 3.00%

Discount Rate: 3.13%

Health Care Cost Trend Rates

- Medical: -4.76% in the first year, then 6.75%, decreasing 0.25% per year to an ultimate rate of 5.0%.
- Medicare Supplement: Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3.0%. Include 2% per year for aging
- Dental: -0.69% for 2019, 3.25% for 2020, decreasing 0.25% per year to an ultimate rate of 3.0% for 2021 and later years.
- Vision: -9.98% for 2019, then 3.0% per year

Retirees' Share of Benefit-Related Costs:

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

The discount rate was based on the 6/30/2019 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-2018 for males or females, as appropriate. Mortality rates for retired employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate. The actuarial assumptions used in the valuation were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

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**Changes in Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at 6/30/2018	\$1,474,804
Changes for the year:	
Service Cost	43,340
Interest	47,007
Differences between expected and actual experience	(148,137)
Changes in Assumptions/Inputs	152,231
Change in Benefit Terms	0
Benefit payments	(32,629)
Administrative Expense	0
Net Changes	<u>\$61,812</u>
Balance at 6/30/2019	<u>\$1,536,616</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(2.13%)</u>	<u>(3.13%)</u>	<u>(4.13%)</u>
<b>Total OPEB Liability</b>	<b>\$1,755,255</b>	<b>\$1,536,616</b>	<b>\$1,343,867</b>

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

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
<b>Total OPEB Liability</b>	<b>\$1,328,315</b>	<b>\$1,536,616</b>	<b>\$1,785,552</b>

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

For the year ended June 30, 2019, the Clerk recognized an OPEB expense of \$88,906. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$0	\$141,333
Changes of assumptions or other inputs	\$133,202	\$0
<b>Total</b>	<b>\$133,202</b>	<b>\$141,333</b>

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

<b>Year Ended June 30:</b>	
2020	(\$1,440)
2021	(\$1,440)
2022	(\$1,440)
2023	(\$1,440)
2024	(\$1,440)
Thereafter	(\$929)

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7: LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities of the Clerk of Court at June 30, 2019:

Net Pension Liability	\$ 1,844,445
OPEB Obligation	<u>1,536,616</u>
Total Long-term Liabilities	<u>\$ 3,381,061</u>

**NOTE 8: DEFERRED COMPENSATION PLAN**

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

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

The Clerk of Court agreed to match each participant's contribution up to a maximum of 6% for the year ended June 30, 2019. The Clerk of Court made contributions on behalf of the employees for the year ended June 30, 2019. Withdrawals from the plan occur at retirement, separation from service, death, or proven financial hardship (unforeseeable emergency as defined by the Plan).

**NOTE 9: INTERFUND ASSETS/LIABILITIES**

The balances due to/from individual funds are as follows:

*June 30, 2019*

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*General Fund*

Due to Eastbank Expense Fund	\$ 14,646
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*East Bank Expense Fund*

Due from General Fund	\$ 14,646
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**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

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

**NOTE 11: LOUISIANA LEGISLATIVE AUDITOR INVESTIGATION**

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

**NOTE 12: SUBSEQUENT EVENTS**

Management evaluated subsequent events as of December 14, 2022, which is the date the audit report was available to be issued. Management has noted that there are no additional disclosures or adjustments to these financial statements required.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --**  
**GENERAL FUND BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>Revenues</b>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Licenses and permits	8,700	\$ 5,910	(2,790)
Fees, Charges, and Commissions:			
Court Costs, Fees, and Charges	724,200	1,115,460	391,260
Recording Legal Documents	1,027,600	690,449	(337,151)
Certified Copies	86,800	101,440	14,640
Intergovernmental Revenues:			
State - Child Support Fees	-	32,480	32,480
Other Intergovernmental Revenues	44,100	70,518	26,418
Interest	8,500	9,651	1,151
<b>Total Revenues</b>	<u>1,899,900</u>	<u>2,025,908</u>	<u>126,008</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personnel Salaries and Related Benefits	1,512,200	1,412,401	(99,799)
Operating Services	267,800	306,002	38,202
Materials and Supplies	87,900	49,950	(37,950)
Capital Outlay	32,000	-	(32,000)
<b>Total Expenses</b>	<u>1,899,900</u>	<u>1,768,353</u>	<u>(131,547)</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --  
EAST BANK EXPENSE FUND BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Revenues</b>	Original Budget	Actual	Variance with Budget
Fees, Charges, and Commissions:			
Court Costs, Fees, and Charges	\$ 170,900	\$ 123,915	\$ 46,985
Interest	20	3	17
<b>Total Revenues</b>	<u>170,920</u>	<u>123,918</u>	<u>47,002</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personnel Salaries and Related Benefits	153,920	151,128	2,792
Operating Services	15,200	-	15,200
Materials and Supplies	1,800	49	1,751
Total Expenses	<u>170,920</u>	<u>151,177</u>	<u>19,743</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Clerk of Court's Proportion of the Net Pension Liability (Asset)	1.01567%	Not Available	1.047392%	1.061684%	1.066099%
Clerk of Court's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,844,445	Not Available	\$ 1,937,648	\$ 1,592,559	\$ 1,438,020
Clerk of Court's Covered-Employee Payroll	\$ 1,563,529	Not Available	951,753	\$ 963,786	\$ 942,173
Clerk of Court's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	117.97%	Not Available	203.59%	165.24%	152.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.48%	Not Available	74.17%	78.13%	79.37%

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

See Independent Auditor's Report

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually Required Contribution	\$ 187,759	Not Available	181,884	180,833	183,119
Contributions in Relation to the Contractually Required Contribution	187,759	Not Available	\$ 181,884	\$ 180,833	\$ 183,119
Contribution Deficiency/(Excess)	-	Not Available	\$ -	\$ -	\$ -
Covered-Employee Payroll	1,563,529	Not Available	\$ 957,284	\$ 951,753	\$ 963,786
Contributions as a Percentage of Covered-Employee Payroll	12.01%	Not Available	19.00%	19.00%	19.00%

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

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

**NOTE 2: NET PENSION LIABILITY**

**Changes of Benefit Terms**

There were no changes of benefit terms for the three valuation years ended June 30, 2019.

**Changes of Assumptions**

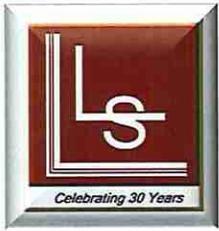
For the actuarial valuation for the year ended June 30, 2019, the discount rate was reduced from 7.00% to 6.75%, the salary increase assumption remained constant at 5%, and the inflation assumption remained constant at 2.5%.

**NOTE 3: AGENCY FUNDS**

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

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

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



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

To the Clerk of Court  
St. John the Baptist Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clerk of Court for St. John the Baptist Parish, Louisiana (Clerk of Court), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Clerk of Court's basic financial statements and have issued our report thereon dated December 14, 2022.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-1 to 2019-6 that we consider to be material weaknesses.

Continued,

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2019-07.

### **Clerk of Court's Response to Findings**

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

### **Purpose of This Report**

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



Luther Speight & Company CPAs

New Orleans, Louisiana

December 14, 2022

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SUMMARY OF AUDITOR'S RESULTS  
JUNE 30, 2019**

**Section I – Summary of Auditor's Results**

Financial Statements

A modified opinion was issued on the financial statements of the auditee.

Internal control over financial reporting:

Material weakness(es) identified	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Significant deficiency(s) identified not considered to be material weaknesses	<input type="checkbox"/>	Yes	<input type="checkbox"/>	None Reported

Noncompliance material to financial statements noted  Yes  No

Federal Awards

The Clerk of Court did not receive federal awards in excess of \$750,000 during the year ended June 30, 2019, and, therefore, is exempt from the audit requirements under the Uniform Guidance.

**No Separate Management Letter Issued**

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019**

FINDING# 19-01      UNAUDITED BEGINNING BALANCES NOT SUPPORTED  
CRITERIA:

Louisiana Revised Statutes 24:513 requires all governmental units to submit audit reports on an annual basis. Financial records are required to be maintained in a manner that allows for compliance with this regulation.

CONDITION:

The Clerk's financial statements for the prior period ended June 30, 2018 were issued subject to a disclaimer of opinion by their independent auditor and did not include a complete presentation of the governmental activities and fiduciary funds. In addition, the trial balances for each fund were not maintained in a complete manner that allowed for alternative procedures that were adequate to determine reliable beginning balances for the audit period.

CAUSE:

The Clerk's financial statements and supporting accounting data were not prepared and maintained in accordance with generally accepted accounting principles.

EFFECT:

We were unable to determine if the beginning balances for each of the Clerk's funds were fairly stated.

RECOMMENDATION:

We recommend that the Clerk maintain complete books and records that include ending balances for each fund.

MANAGEMENT'S RESPONSE:

Management has improved its accounting policies to ensure that complete books and financial reports will include adequate ending balances moving forward. Furthermore, the Clerk of Court has retained outside consultation to monitor this process.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019**

FINDING# 19-02      REGISTRY FUND ACCOUNTING NOT ADEQUATE

**CRITERIA:**

The Clerk of Court should reconcile all material balances to supporting schedules or subsidiary ledgers.

**CONDITION:**

The Registry fund included a listing of litigant cases and balances totaling \$1,311,816. However, the total resources of cash on hand and investments for the fund totaled \$835,086 resulting in an unreconciled fund deficit of \$476, 729. The Clerk recorded accounting adjustments at year-end to balance the litigant balances in total to cash and investments on-hand without the benefit of proper reconciliation and accounting for the differences.

**CAUSE:**

The Clerk's office internal control procedures over fiduciary funds were not adequate.

**EFFECT:**

We were unable to determine the proper disposition of the unreconciled deficit.

**RECOMMENDATION:**

We recommend that the Clerk reconcile the fiduciary fund accounts to cash and cash equivalents on a monthly basis.

**MANAGEMENT'S RESPONSE:**

This finding was the result of Registry Fund closing four (4) Certificates of Deposits with Capital One Bank and reopening with First American Bank. CD's statements from First American Bank were not issued until subsequent fiscal year causing a timing issue for proper recording. Management will ensure fiduciary fund accounts will be reconciled on a monthly basis.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019**

FINDING# 19-03      ADVANCE DEPOSIT FUND ACCOUNTING NOT ADEQUATE

**CRITERIA:**

Louisiana Revised Statute 13:842, paragraph (B) states “After an ordinary suit has been filed, if a period of five years elapses without any pleading being filed and the suit has been completely inactive during this five-year period, the Clerk shall refund any unused balance remaining in the Clerk’s Advance deposit fund (to the credit of this particular suit) to the person who made the original deposit, after paying all fees or other charges of record in the suit.”

**CONDITION:**

The Advance Deposit Fund includes funds paid in advance by litigants to cover the cost of litigation and other Clerk charges. The fund maintained a certificate of deposit totaling \$2,035,086. However accurate subsidiary ledgers were not maintained to account for transactions and balances related to specific cases. Accordingly, the Clerk’s office could not track the balances for specific litigant cases to determine if funds were due to be returned or if case balances had been depleted. The Clerk recorded accounting adjustments at year-end to balance the litigant balances in total to cash and investments on-hand without the benefit of proper reconciliation and accounting for the differences.

**CAUSE:**

The Clerk’s office internal control procedures over fiduciary funds were not adequate.

**EFFECT:**

We were unable to determine if the due to litigant balance was fairly stated.

**RECOMMENDATION:**

We recommend that the Clerk establish and maintain detailed subsidiary reporting for the Advance Deposit Fund. The fund should be reconciled to the cash and cash equivalents balances on a monthly basis.

**MANAGEMENT’S RESPONSE:**

Management has detailed subsidiary reporting for the Advance Deposit Fund. The reports are maintained as running transactions until suits and services are resolved. The software that is used allows breakdown of all transactions and reports are designs by third party vendor who determines reporting setup. The Clerk’s Office will continue to collaborate with the vendor to ensure reporting reflects accurate balances.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019**

FINDING# 19-04     BANK RECONCILIATION PROCEDURES NOT ADEQUATE

CRITERIA:

The Clerk of Court should remit checks outstanding for greater than one year to the State Treasurer's Unclaimed Property Division in accordance with Louisiana Revised Statute 9:151-181 – Uniform Unclaimed Property Act.

CONDITION:

The Clerk's office bank reconciliation procedures were not adequate. We noted numerous disbursement checks that aged over one year remained outstanding on the bank reconciliations.

CAUSE

The Clerk's accounting procedures did not include timely research and resolution of outstanding checks on bank reconciliations.

EFFECT:

Financial statements may be inaccurate due to understated cash balances and accounts payable.

RECOMMENDATION:

We recommend that the Clerk's office research and resolve aged outstanding checks on the bank reconciliations on a monthly basis.

MANAGEMENT'S RESPONSE:

Management will establish a monitoring system to ensure the timely completion of bank reconciliations. Also, The Clerk of Court will monitor stale dated outstanding checks monthly and remit checks to the State Unclaimed Property Department as required by law.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019**

FINDING# 19-05      FIXED ASSET ACCOUNTING PROCEDURES NOT ADEQUATE

**CRITERIA:**

The Clerk should maintain comprehensive accounting for all capital assets under the management of the Clerk's Office.

**CONDITION**

The Clerk did not maintain a fixed asset schedule that included all capital assets and the related accumulated depreciation.

**CAUSE:**

General accounting procedures were not adequate.

**EFFECT:**

The financial statements did not include balances for fixed assets net of related depreciation.

**RECOMMENDATION:**

We recommend that the Clerk implement and maintain comprehensive fixed asset records.

**MANAGEMENT'S RESPONSE:**

Management has purchased third party accounting software to track fixed assets and related depreciation to ensure balances are included in financial statements.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019**

FINDING 19-06      GENERAL ACCOUNTING PROCEDURES AND CONTROLS NOT ADEQUATE

**CRITERIA:**

The Clerk of Court should reconcile all material balances to supporting schedules or subsidiary ledgers.

**CONDITION:**

General accounting procedures were not adequate to support the timely and accurate preparation of financial statements in accordance with generally accepted accounting principles. In addition, balances were reported that did not have supporting subsidiary records. In many instances the general accounting and financial statements were retroactively prepared during subsequent periods by the accounting function presently in place at the Clerk's office. General accounting deficiencies noted were as follows:

1. Accounting for Clerk's activities require significant updating by their accounting department in order to produce financial statements in accordance with generally accepted accounting principles.
2. Due from other governments recorded at \$119,967 was not supported with source documentation.
3. Accrued expenses included various payroll liability accounts totaling \$59,457. These balances were not supported with subsidiary ledgers or schedules.

**CAUSE:**

The Clerk's accounting department in effect for the June 30, 2019 fiscal year did not appear to be adequately staffed or experienced to perform the required procedures to prepare financial statements.

**EFFECT:**

This resulted in numerous journal entries and account analyses performed by the Clerk's current accounting department. We were also unable to determine if certain balances were fairly stated.

**RECOMMENDATION:**

We recommend that the Clerk maintain qualified accounting personnel either inhouse or contractually during each fiscal period to assure proper internal controls are maintained and general accepted accounting principles are applied to all financial transactions and financial reporting.

**MANAGEMENT'S RESPONSE:**

Management has upgraded its accounting function to include experienced personnel and contractual professional assistance.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019**

FINDING 19-07      TIMELY SUBMISSION OF AUDIT REPORT

**CRITERIA:**

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

**CONDITION:**

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

**CAUSE:**

The Clerk does not have an effective system of general accounting and financial reporting.

**EFFECT:**

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

**RECOMMENDATION:**

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

**MANAGEMENT REPOSE:**

Management has engaged an independent auditor to complete each of its delinquent audits. These audits are presently underway.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT  
STATUS OF PRIOR FINDINGS  
JUNE 30, 2019**

<u>Finding#</u>	<u>Description</u>	<u>Type</u>	<u>Status</u>
2018-01	Inadequate Segregation of Duties	Material Weakness	Unresolved
2018-02	Application of GAAP (Originated 2010) Internal Control Over Financial	Material Weakness	Unresolved
2018-03	Reporting	Material Weakness	Unresolved
2018-04	Timely Submission to Legislative Auditor	Compliance	Unresolved

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**Agency Head Name: Eliana DeFrancesch, Clerk of Court**

Purpose	Amount
Salary	\$138,891
Benefits-insurance	12,820
Benefits-retirement	2,100
Benefits-other	2,104
Car allowance	13,476
Vehicle provided by government	-
Dues	2,199
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses*	-
Special meals	-
<b>Total</b>	<b>\$171,590</b>

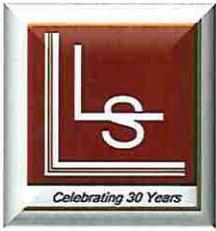


*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT**

**AGREED UPON PROCEDURES REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by St. John the Baptist Parish Clerk of Court (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

***Written Policies and Procedures***

---

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

**Results:** *LSC inquired but was unable to obtain and inspect the entity's written policies and procedures to address each of the categories and subcategories below.*

**Management's response:** *Policies and procedures will be implemented.*

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

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**Results:** *Not applicable.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**Results:** *Not applicable.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** *Not applicable.*

### ***Bank Reconciliations***

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

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

**Results:** *LSC obtained a complete bank account listing for the June 30, 2019 fiscal year. The entity's main operating fund is the General Fund, which has four bank accounts. We randomly selected June 2019 for each of the four bank accounts and obtained the corresponding bank statement and reconciliation. The bank reconciliations do not include evidence that they were prepared within two months of the related statement closing date. There are no initials, review dates, or electronic logs indicated.*

**Management's response:** *Policies and procedures will be implemented.*

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

**Results:** *The entity's bank reconciliations do not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.*

**Management's response:** *Policies and procedures will be implemented.*

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

**Results:** *Management does not have documentation reflecting research of reconciling items that have been outstanding for more than twelve months from the statement's closing date.*

**Management's response:** *Policies and procedures will be implemented.*

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

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

**Results:** *Luther Speight & Company obtained a list of deposit sites for the June 30, 2019 fiscal year, and management has confirmed that the listing is complete. The deposit sites are as follows:*

*Main Location: 2393 Highway 18, Edgard, LA 70049*

*Eastbank Location: 1811 W. Airline Hwy. LaPlace, LA 70068*

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

**Results:** *LSC was unable to obtain and inspect the entity's written policies and procedures pertaining to employee job duties and was unable to address the categories and subcategories below.*

**Management's response:** *Policies and procedures will be implemented.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

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

**Results:** *Not applicable.*

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

**Results:** *We selected two deposit dates for three of the four accounts in the entity's main operating fund; the Qualifying account does not have any deposits for the June 30, 2019 fiscal year. For the six deposits randomly selected, we obtained the supporting documentation and determined the following:*

- a) Observe that receipts are sequentially pre-numbered.

**Results:** *Not applicable for Credit Card Account # 4154540. Fees are collected by a third-party and deposits are remitted on a scheduled basis. Receipts are sequentially pre-numbered for the Salary Fund Account #4703243 and Payroll Account #4454917.*

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

**Results:** *We were able to trace receipts, system reports, and other related collection documentation to the deposit slips for all transactions.*

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

**Results:** *Not applicable for Credit Card Account # 4154540. Fees are collected by a third-party and deposits are remitted on a scheduled basis. We were able to trace the deposit slip total to the actual deposit per the June 2019 bank statement.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results:** *We observed that the deposits were made within one business day of receipt at the collection location. Deposits are made daily by the designated employee.*

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

**Results:** *We were able to trace the actual deposit per the bank statement to the General Fund general ledger. There were no exceptions.*

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

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

**Results:** *Luther Speight & Company obtained a list of payment processing sites for the June 30, 2019 fiscal year, and management has confirmed that the listing is complete. The payment sites are as follows:*

*Main Location: 2393 Highway 18, Edgard, LA 70049*

*Eastbank Location: 1811 W. Airline Hwy. LaPlace, LA 70068*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

**Results:** *LSC was unable to obtain written policies and procedures relating to employee job duties in order to observe that the duties are properly segregated to address items (a) through (d) below.*

**Management's response:** *The Clerk and two Deputy Clerks are responsible for all purchase requests.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

**Results:** *LSC obtained the entity's non-payroll disbursement transaction population and management has confirmed that the list is complete. We randomly selected five disbursements for each of the locations above, for a total of ten transactions.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

**Results:** *The disbursements matched the related original invoice or billing statement for each transaction.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** *The disbursement documentation included evidence of segregation of duties.*

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

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

**Results:** *We obtained a list of active credit cards for St. John the Baptist Parish Clerk of Court. The Clerk confirmed that her office only has one credit card. She is the authorized user, as well as two staff members who must obtain permission from her to use the card.*

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

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

**Results:** *There is no evidence that the monthly credit card statements and supporting documentation were reviewed and approved, in writing or electronically, by someone other than the authorized card holder.*

**Management's Response:** *Credit Card statements are reviewed by Clerk and Chief Deputy on a monthly basis. Each transaction is verified and supporting documentation is attached to the statement to acknowledge business use.*

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

**Results:** *We observed that there were no finance charges or late fees assessed on the selected statements.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** *We randomly selected ten transactions from the American Express credit card statements and obtained supporting documentation for the transactions. Each transaction is supported by an itemized receipt or invoice that identifies precisely what was purchased. No exceptions were noted.*

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

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

**Results:** *LSC obtained a listing of all travel and travel-related expense reimbursements during the fiscal year of June 30, 2019, and management has confirmed that the list is complete. We selected four reimbursements for testing, as that was the total reported in the General Ledger for the fiscal year.*

For each of the 4 reimbursements selected:

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

**Results:** *We confirmed that employees are paid a forty-five dollar per diem rate for meals which includes \$5.00 for breakfast, \$15.00 for lunch, and \$25.00 for dinner. The per diem must be approved by the Clerk of Court before disbursement is processed.*

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

**Results:** *Not applicable.*

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

**Results:** *We confirmed that each per diem transaction is supported by St. John the Baptist Parish Clerk of Court policy. Approval is noted and checks are signed by the appropriate person.*

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

**Results:** *We observed that each per diem was reviewed and approved by someone other than the person receiving the reimbursement.*

## **Contracts**

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

**Results:** *We were unable to 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. Thus, LSC was unable to observe items (a) through (d) below and conduct the additional procedures as indicated.*

**Management's Response:** *All contracts are bid under Bid Law. Contracts are approved by The Clerk. For the fiscal period, the Clerk's Office had two lease contracts with Xerox for copying machines and supplies, and two professional service contracts, one with the District Attorney for legal services and the other with Global Profit Strategy for accounting consultation.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

## *Payroll and Personnel*

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

**Results:** *LSC obtained a listing of employees/elected officials who were employed during the June 2019 fiscal year, and management confirmed that the listing was complete. We randomly selected four employees and the elected official but only obtained the related paid salaries and personnel files for the four employees. We were able to agree the paid salaries/pay rates to those authorized in their respective personnel files.*

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

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

**Results:** *We observed that each of the four selected employees documented their daily attendance, specifically their regular hours worked. Vacation, sick leave and other accrued time is manually documented by a deputy staff member. The Clerk of Court does not earn leave and does not document her attendance and leave.*

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

**Results:** *We observed that supervisors approved the attendance and leave of the selected employees.*

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

**Results:** *We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.*

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

**Results:** *LSC inquired but did not receive a list of employees that received termination payments during the fiscal period. As a result, we were not able to conduct the additional testing procedures indicated above.*

**Management's response:** *Any employee that was terminated during the fiscal period was paid at rates based on information provided to be used by third party payroll processing services.*

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

**Results:** *LSC inquired but did not obtain management's representation that employer and employee payroll taxes and other compensatory obligations were paid by the required deadlines. Further review of the financial statements revealed immaterial balances in the payroll liability accounts at the end of the 2019 fiscal year.*

**Management's response:** *The Clerk's Office employer and employee taxes are remitted through a third-party payroll processing company. Reports are filed and copies are forwarded to the Clerk's Office to retain for our records.*

### **Ethics**

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

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

**Results:** *We observed that the Clerk completed one hour of ethics training during the June 2019 fiscal period. We were provided the 2018 certificates for two employees; One was terminated January 25, 2019 and the other was terminated November 8, 2018, so there were no 2019 certificates on file for these employees. The third and fourth employees selected were not required to complete ethics training, as they are part-time employees. One of the hourly employees was hired in February 2019.*

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

**Results:** *The documentation provided does not demonstrate that each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.*

**Management's Response:** *The ethics training and certificate received after training is complete is the only verification on file for each employee. Employees are not required to attest through signature that they have read the entity's ethics policy.*

## *Debt Service*

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

**Results:** *Not applicable.*

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

**Results:** *Not applicable.*

## *Other*

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

**Results:** *Management has confirmed that there were no misappropriations of public funds and assets during the June 2019 fiscal year.*

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

**Results:** *We observed 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.*

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

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

A handwritten signature in blue ink, appearing to read "Luther Speight", written in a cursive style.

Luther Speight & Company CPAs  
New Orleans, Louisiana  
December 14, 2022