

LAFAYETTE PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2023

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance- governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities	12
Statement of fiduciary net position - custodial funds	13
Statement of changes in fiduciary net position - custodial funds	14
Notes to basic financial statements	15-37
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	39
Schedule of changes in net OPEB liability and related ratios	40
Schedule of employer's share of net pension liability	41
Schedule of employer pension contributions	42
Notes to required supplementary information	43-44
OTHER SUPPLEMENTARY INFORMATION	
Comparative statement of net position	46
General Fund:	
Comparative balance sheet	47
Budgetary comparison schedule - revenues, expenditures, and changes in fund balance - compared to actual for prior year	48
Budgetary comparison schedule - revenues - compared to actual for prior year	49-50
Budgetary comparison schedule - expenditures - compared to actual for prior year	51-52
Justice system funding schedule - receiving entity	53
Justice system funding schedule - collecting/disbursing entity	54-56
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58-59
Summary schedule of current and prior year audit findings and management's corrective action plan	60-61

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Louis J. Perret
Lafayette Parish Clerk of Court
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk of Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court's internal control. Accordingly, no such opinion is expressed. We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk of Court's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability, and employer pension contributions on pages 39 through 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Clerk of Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The accompanying comparative statements on pages 46 through 47 and the justice system funding schedules on pages 53 through 56 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements and the justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the Clerk of Court's 2022 financial statements, which were 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, and, in our opinion were fairly presented in all material respects to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the comparative detailed budget comparisons on pages 48 through 52 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 30, 2023

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 23,062,336
Accounts receivable	236,759
Due from State of Louisiana - non-support program	104,121
Total current assets	23,403,216
Noncurrent assets:	
Capital assets, net	486,752
Total assets	23,889,968
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	4,822,839
Deferred outflows related to postemployment benefit obligation	4,962,753
Total deferred outflows of resources	9,785,592
LIABILITIES	
Current liabilities:	
Accounts and other payables	341,838
Due to other governmental agencies	20,779
Total current liabilities	362,617
Noncurrent liabilities:	
Compensated absences	933,277
Net OPEB obligation	14,577,242
Net pension liability	11,109,801
Total noncurrent liabilities	26,620,320
Total liabilities	26,982,937
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	288,536
Deferred inflows of resources related to postemployment benefit obligation	3,634,634
Total deferred inflows of resources	3,923,170
NET POSITION	
Net investment in capital assets	486,752
Unrestricted	2,282,701
Total net position	\$ 2,769,453

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues		Net
Activities	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Change in Net Position
Governmental activities:				
General government	<u>\$ 12,716,218</u>	<u>\$ 10,428,423</u>	<u>\$ 172,716</u>	<u>\$(2,115,079)</u>
General revenues:				
Interest and investment earnings				1,083,470
Miscellaneous				642,865
Non employer pension contribution				554,865
Charges reimbursable by primary government				<u>55,957</u>
Total general revenues				<u>2,337,157</u>
Change in net position				222,078
Net position - June 30, 2022				<u>2,547,375</u>
Net position - June 30, 2023				<u>\$ 2,769,453</u>

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

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Balance Sheet - Governmental Fund
June 30, 2023

	<u>General Fund</u>
ASSETS	
Cash	\$ 3,450
Interest-bearing deposits	23,058,886
Receivables:	
Accounts receivable	236,759
Due from State of Louisiana - non-support program	<u>104,121</u>
 Total assets	 <u>\$ 23,403,216</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Cash overdraft	\$ 21,502
Accounts payable	17,042
Claims payable	165,738
Payroll liabilities	129,269
Due to other governmental agencies	<u>20,779</u>
Total liabilities	<u>354,330</u>
 Fund balance:	
Assigned - long term benefits	4,000,000
Unassigned	<u>19,048,886</u>
Total fund balance	<u>23,048,886</u>
 Total liabilities and fund balance	 <u>\$ 23,403,216</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balance for the governmental fund at June 30, 2023		\$23,048,886
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net		486,752
The deferred outflows of resources are not a use of current resources and, therefore are not reported in the governmental funds. The deferred outflows of resources are related to the following:		
Net pension liability	\$ 4,822,839	
Net OPEB obligation	<u>4,962,753</u>	9,785,592
Long term liabilities are not payable from current resources and, therefore, are not reported in the governmental funds.		
Compensated absences payable	(933,277)	
Net OPEB obligation payable	(14,577,242)	
Net pension payable	(11,109,801)	
Claims payable	<u>(8,287)</u>	(26,628,607)
The deferred inflows of contributions are not available resources, and therefore are not reported in the governmental funds. The deferred inflows of resources are related to the following:		
Net pension liability	(288,536)	
Net OPEB obligation	<u>(3,634,634)</u>	<u>(3,923,170)</u>
Total net position of governmental activities at June 30, 2023		<u>\$ 2,769,453</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 333,866
Fees, charges and commissions -	
Court costs, fees and charges	271,807
Fees for recording legal documents	9,208,414
Fees for certified copies	614,336
Intergovernmental	228,673
Miscellaneous	1,726,335
Total revenues	12,383,431
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	9,261,471
Operating services	1,073,134
Material and supplies	403,048
Appropriations to Lafayette City-Parish Consolidated Government	84,837
Capital outlay	300,385
Total expenditures	11,122,875
Excess of revenues over expenditures	1,260,556
Fund balance, beginning of year	21,788,330
Fund balance, end of year	\$23,048,886

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balance for the year ended June 30, 2023 per the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 1,260,556
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental fund report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.		
Capital outlay	\$ 300,385	
Depreciation expense	<u>(193,841)</u>	106,544
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Claims payable	149,547	
Compensated absences payable	(112,307)	
OPEB obligation payable	(822,910)	
Pension expense	<u>(914,217)</u>	(1,699,887)
Nonemployer's contributions to the clerk employees' pension plan		<u>554,865</u>
Change in net position of governmental activities		<u>\$ 222,078</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	<u>Total</u>
ASSETS	
Cash	\$ 4,722
Interest-bearing deposits	<u>17,279,352</u>
Total assets	<u>\$ 17,284,074</u>
LIABILITIES	
Due to litigants and others	<u>691</u>
NET POSITION	
Restricted for litigants and others	<u>\$ 17,283,383</u>

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

	Total
Additions:	
Suits and successions	\$ 9,040,718
Deposits per court order	5,459,767
Qualifying fees	8,465
Interest earned	27,330
Total additions	14,536,280
Reductions:	
Clerk's costs (transferred to general fund)	4,903,115
Refunds to litigants	2,004,873
Other	743,713
Interest earned (transferred to general fund)	34,806
Lafayette parish sheriff fees	467,215
Other sheriff fees	276,138
Disbursements by court order	13,084,164
Total reductions	21,514,024
Net decrease in fiduciary net position	\$ (6,977,744)
Net position - beginning	24,261,127
Net position - ending	\$ 17,283,383

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lafayette Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and 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 his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Custodial funds are not included in the GWFS. Custodial funds are reported only in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position at the fund financial statement level.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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 are presented as general revenues.

Fund Financial Statements (FFS)

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, each displayed in a separate column. 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 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 expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Clerk of Court is described below:

Governmental Fund -

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'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.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Additionally, the Clerk of Court reports the following fund type:

Custodial Funds -

Custodial 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 fiduciary funds. The fiduciary funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

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

Election Qualifying Fund – accounts for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities reflect the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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

D. Cash and interest-bearing deposits

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

E. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include fees and charges paid by the recipients for goods or services offered by the programs.

F. Capital Assets

Capital assets, which include property, plant, and equipment, are reported 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 \$2,500 or more for capitalizing capital 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.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives for furniture, fixtures, and equipment range from five to ten years.

G. Compensated Absences

Employees of the Clerk of Court's office earn 10 to 25 days of vacation leave each year depending on length of service. In addition, employees earn 12 days of personal leave each year. Vacation leave must be used in the year earned. Upon resignation or retirement, employees are paid for unused vacation leave at the employee's current rate of pay. Personal leave may be accumulated to a maximum of 90 days and carried over to succeeding years. Employees are paid for unused personal leave upon termination or retirement.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2023, the Clerk of Court's deferred outflows and inflows of resources are attributable to its pension plan and postemployment benefit obligation.

I. Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the other two components and is available for general use by the Clerk of Court.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form 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 decision of the Clerk of Court, which is the highest level of decision-making authority for the Clerk of Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Clerk of Court.
- e. Unassigned – all other spendable amounts.

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

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2023, there was no amount due to the parish treasurer even though the General Fund's fund balance at June 30, 2023 exceeded one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office because the Lafayette Parish Clerk of Court did not receive any funds from the parish treasurer in accordance with R.S. 13:784(A) during the current term of office.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

J. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

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

K. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the collectability of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2023.

L. Clerk's Fees Transferred from Advance Deposit Custodial Fund

These fees represent revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants and standard fees charged on suits. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the General Fund.

M. Use of Estimates

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$40,346,410 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash	\$ 3,450	\$ 4,722	\$ 8,172
Time and money market deposits	23,058,886	17,279,352	40,338,238
Total	\$ 23,062,336	\$ 17,284,074	\$ 40,346,410

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2023, and the related federal insurance and pledged securities:

Bank balances	\$ 40,610,923
Federal insurance	\$ 6,406,503
Pledged securities	34,204,420
Total federal insurance and pledged securities	\$ 40,610,923

Deposits in the amount of \$34,204,420 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in Clerk of Court's name (considered to be Category 3 deposits). The Clerk of Court does not have a formal written policy for custodial credit risk.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset balances and activity for the year ended June 30, 2023 is as follows:

	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023
Furniture, fixtures and equipment	\$ 3,057,309	\$ 300,385	\$ 6,924	\$ 3,350,770
Construction in progress	51,298	-	-	51,298
Less: Accumulated depreciation	<u>2,728,399</u>	<u>193,841</u>	<u>6,924</u>	<u>2,915,316</u>
Net capital assets	<u>\$ 380,208</u>	<u>\$ 106,544</u>	<u>\$ -</u>	<u>\$ 486,752</u>

Depreciation expense of \$193,841 was charged to the general government function.

(4) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2023:

	Governmental Activities
Cash overdraft	\$ 21,502
Accounts payable	17,042
Claims payable	174,025
Payroll liabilities	<u>129,269</u>
Total	<u>\$ 341,838</u>

Excess funds on deposit for the group self-insurance program are held in an interest-bearing account and transferred to the operating account as checks clear the bank. Cash overdrafts of \$21,502 consisted of outstanding checks in the group self-insurance operating account.

(5) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Clerk of Court for the year ended June 30, 2023:

	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023
Compensated absences	<u>\$ 820,970</u>	<u>\$ 642,077</u>	<u>\$ 529,770</u>	<u>\$ 933,277</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(6) Pension Plan

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

Plan Description – Substantially all employees of the Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund, a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System that may be accessed on their website as follows:

LACRF - <http://www.laclerksofcourt.org>

Retirement Benefits:

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

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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:

- a. 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.
- b. 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:

- a. The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- b. 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:

- a. Forty percent of their monthly average final compensation.
- b. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

A member leaving covered employment before attaining 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.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Survivor Benefits:

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

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.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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 ending June 30, 2023, the actual employer contribution rate was 22.25%.

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.

Schedule of Employer Allocations:

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

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2022 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2022.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2022 is summarized in the following table:

Asset Class	LACRF*	
	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income:		
Domestic Bonds	25.00%	2.50%
International Bonds		3.50%
Domestic Equity:	38.00%	7.50%
International Equity:	22.00%	8.50%
Real Estate	15.00%	4.50%
Total	100.00%	

*Arithmetic real rates of return

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

At June 30, 2023, the Clerk of Court reported a liability of \$11,109,801 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, the Clerk of Court's proportion was 4.583698%, which was an increase of .581893% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Clerk of Court recognized pension expense of \$2,036,170 related to its benefit plan and revenues of \$554,865 in ad valorem taxes collected from non-employer contributing entities.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 105,338	\$ 100,988
Change of assumptions	815,273	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	403,384	187,548
Net differences between projected and actual earnings on plan investments	2,376,891	-
Contributions subsequent to the measurement date	1,121,953	-
Total	\$ 4,822,839	\$ 288,536

Deferred outflows of resources of \$1,121,953 related to pensions resulting from the Clerk of Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30			
2024			\$ 1,051,217
2025			866,336
2026			244,587
2027			1,250,210
Total			\$ 3,412,350

Schedule of Pension Amounts by Employer:

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Salary Increases (merit only)	1-5 years of service - 6.2%; 5% thereafter
Investment rate of return	6.55%
Mortality rates	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and included 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 substantially automatic.

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, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

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

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
Net Pension Liability	<u>\$ 15,857,732</u>	<u>\$ 11,109,801</u>	<u>\$ 7,109,622</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Contributions – Proportionate Share:

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

Payables to the System:

The Clerk of Court recorded an accrued liability of \$129,629 for the System for the year ended June 30, 2023 for the contractually required contribution for the month of June 2023. The amount is included in accounts and other payables in the statement of net position.

(7) Post-Retirement Health Care and Life Insurance Benefits

Plan Description - The Lafayette Parish Clerk of Court (Clerk of Court) provides certain continuing health care and life insurance benefits for its retired employees. The Lafayette Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the Clerk of Court. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk of Court. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay the related benefits.

Benefits Provided - Medical benefits are provided through a comprehensive medical plan to Eligible Retirees as defined by the Clerk of Court's Group Health Plan document. The term "Eligible Retiree" shall mean a retiree, including a Disability Retiree under the Clerk of Court's Retirement Plan, who has worked full-time for the Employer for 20 consecutive years immediately prior to retirement, has been covered under the Plan for 10 consecutive years immediately prior to retiring, and has otherwise met the requirements as established by the Employer.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at retirement.

Employees covered by benefit terms - At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	52
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	100
Total	<u>152</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

In accordance with the requirements of GASB Statement No. 75, the Clerk of Court recognized the cost of postemployment healthcare and life insurance benefits in the year when the employee services are received and recognized the liability for OPEB obligations, known as the net OPEB liability, on the statement of net position. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Total OPEB Liability

The Clerk of Court's total OPEB liability of \$14,577,242 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and other inputs - The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases, including inflation	3.00%
Discount rate, net of OPEB plan investment expense, including inflation	3.65%
Healthcare cost trend rates, annually until year 2032, then 4.5%	5.50%

The discount rate was based on the average of the Bond Buyers' 20 Year Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

The SOA RP-2014 combined table has been used.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$14,358,209</u>
Changes for the year:	
Service cost	299,231
Interest	513,577
Differences between expected and actual experience	38,521
Changes in assumptions	(266,454)
Benefit payments and net transfers	<u>(365,842)</u>
Net changes	<u>219,033</u>
Balance at June 30, 2023	<u>\$14,577,242</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Clerk of Court, as well as what the Clerk of Court's total OPEB would be if it were calculated using a discount rate that is 1-percentage-point higher (4.65%) or 1- percentage point lower (2.65%) than the current discount rate:

	1.0% Decrease 2.65%	Current Discount Rate 3.65%	1.0% Increase 4.65%
Total OPEB liability	<u>\$ 17,411,130</u>	<u>\$ 14,577,242</u>	<u>\$ 12,365,675</u>

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

	1.0% Decrease 4.5%	Current Trend Rate 5.5%	1.0% Increase 6.5%
Total OPEB liability	<u>\$ 12,450,048</u>	<u>\$ 14,577,242</u>	<u>\$ 17,337,601</u>

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

For the year ended June 30, 2023, the Clerk of Court recognized OPEB expense of \$1,188,752. At June 30, 2023, the Clerk of Court reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,732,174	\$ 779,712
Changes in assumptions	<u>1,230,579</u>	<u>2,854,922</u>
Total	<u>\$ 4,962,753</u>	<u>\$ 3,634,634</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Year Ended June 30,

2024	\$ 375,944
2025	375,944
2026	375,944
2027	375,944
2028	375,944
Thereafter	<u>(551,601)</u>
Total	<u>\$ 1,328,119</u>

Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of age 55 and completion of 12 years of full time service (age 60 for employees hired on and after January 1, 2011). However, in order to be eligible for retiree medical insurance coverage paid by the employer, the eligibility provisions are: attainment of age 55 (age 60 for employees hired on and after January 1, 2011), completion of 20 years of full time service, covered under the group's medical insurance plan for at least the last 10 years of full time employment with the Clerk, covered under the group's medical insurance plan at the time of retirement, and immediately upon leaving active service is eligible to receive retirement benefits from the Louisiana Clerk's of Court Retirement and Relief Fund. Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. Life insurance eligibility provisions are as follows: actively covered under the group's Life Insurance Plan at the time they become eligible to receive benefits and age 55 or older with at least 12 years or more of active full time service (age 60 for employees hired on or after January 1, 2011 with at least 12 years or more of active full time service). Life insurance coverage benefits are reduced to 50% of the original amount at retirement. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the SOA RP-2014 mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Actuarial Value of Plan Assets - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 12.5%.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Investment Return Assumption (Discount Rate) - GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 5.5% until 2032, down to an ultimate annual rate of 4.5%, thereafter.

Mortality Rate - The SOA RP-2014 combined table is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical for the retirees and 0% for dependents provided that the retiree had medical coverage for ten years prior to retirement. Unblended retiree rates were provided and used as required by GASB Codification Section P50.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 3.00% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

(8) Risk Management

A. Commercial Insurance Coverage

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

B. Group Self-Insurance

The Clerk of Court maintains a limited risk management program for group hospitalization insurance. The Clerk of Court has contracted Gilsbar Health and Benefit Managements to act as the third-party administrator for the program. An excess of coverage insurance policy covers individual claims in excess of \$40,000 per year and \$1,615,569 per lifetime.

The General Fund participates in the program. The claims liability of \$165,738 reported in the General Fund at June 30, 2023 is based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated.

The total claims liability of \$174,025 for the program includes \$8,287 for claims that have not incurred but have been reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and number of payouts and other economic and social factors. The Clerk of Court currently does not discount its claims liabilities. Changes in the claims liability are as follows:

Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year End
\$235,573	\$1,890,999	\$1,952,547	\$174,025

(9) Expenditures Paid by the Lafayette City-Parish Consolidated Government

The Clerk of Court's office is located in the Lafayette Parish Courthouse. The Lafayette City-Parish Consolidated Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements. Income relating to court reporting attendance, maintenance agreements and capital outlay required to be paid by the Lafayette City-Parish Consolidated Government are reported as revenues. During the year ended June 30, 2023, the required payments by the Lafayette City-Parish Consolidated Government were not received by the Clerk of Court but are reflected as appropriation expenditures.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(10) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Louis J. Perret, Clerk of Court, for the year ended June 30, 2023 follows:

Salary	\$ 163,389
Expense allowance	16,099
Vehicle allowance	26,647
Benefits - insurance	12,133
Benefits - retirement	54,011
Benefits - deferred compensation	5,375
Dues	2,837
Per diem	3,115
Registration fees	625
Travel	<u>3,774</u>
Total	<u>\$ 288,005</u>

(11) Litigation

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2023.

**REQUIRED
SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 329,000	\$ 334,506	\$ 333,866	\$ (640)
Fees, charges and commissions -				
Court costs, fees and charges	283,100	228,692	271,807	43,115
Fees for recording legal documents	10,034,000	9,226,711	9,208,414	(18,297)
Fees for certified copies	800,000	604,448	614,336	9,888
Intergovernmental	185,000	239,234	228,673	(10,561)
Miscellaneous	671,000	1,653,429	1,726,335	72,906
Total revenues	<u>12,302,100</u>	<u>12,287,020</u>	<u>12,383,431</u>	<u>96,411</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	8,466,499	9,019,874	9,261,471	(241,597)
Operating services	1,026,500	1,037,139	1,073,134	(35,995)
Material and supplies	365,000	436,048	403,048	33,000
Appropriations to Lafayette City-				
Parish Consolidated Government	20,000	7,111	84,837	(77,726)
Capital outlay	389,800	266,292	300,385	(34,093)
Total expenditures	<u>10,267,799</u>	<u>10,766,464</u>	<u>11,122,875</u>	<u>(356,411)</u>
Net change in fund balance	2,034,301	1,520,556	1,260,556	(260,000)
Fund balance, beginning of year	<u>21,788,330</u>	<u>21,788,330</u>	<u>21,788,330</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,822,631</u>	<u>\$ 23,308,886</u>	<u>\$ 23,048,886</u>	<u>\$ (260,000)</u>

See notes to the required supplementary information.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

Total OPEB Liability	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 299,231	\$ 344,365	\$ 338,618	\$ 200,378	\$ 82,269	\$ 70,056
Interest	513,577	393,948	381,281	316,021	304,479	314,521
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	38,521	(603,791)	294,834	6,079,542	163,260	(449,445)
Changes of assumptions	(266,454)	(3,495,699)	162,223	1,742,221	202,820	-
Benefit payments and net transfers	<u>(365,842)</u>	<u>(346,770)</u>	<u>(194,033)</u>	<u>(183,918)</u>	<u>(193,718)</u>	<u>(183,619)</u>
Net changes	219,033	(3,707,947)	982,923	8,154,244	559,110	(248,487)
Total OPEB liability - beginning	<u>14,358,209</u>	<u>18,066,156</u>	<u>17,083,233</u>	<u>8,928,989</u>	<u>8,369,879</u>	<u>8,618,366</u>
Total OPEB liability - ending	<u>\$ 14,577,242</u>	<u>\$ 14,358,209</u>	<u>\$18,066,156</u>	<u>\$17,083,233</u>	<u>\$ 8,928,989</u>	<u>\$ 8,369,879</u>
Covered Employee Payroll	\$ 4,787,408	\$ 4,647,969	\$ 4,360,946	\$ 4,233,928	\$ 4,174,436	\$ 4,052,850
Total OPEB liability as a percentage of covered-employee payroll	304.49%	308.91%	414.27%	403.48%	213.90%	206.52%

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

See notes to the required supplementary information.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	4.583698%	\$ 11,109,801	\$ 4,345,162	255.7%	74.09%
2022	4.271805%	5,682,519	4,312,285	131.8%	85.04%
2021	4.399710%	10,585,097	4,312,285	245.5%	72.09%
2020	4.422152%	8,030,592	4,363,164	184.1%	77.93%
2019	4.580592%	7,618,901	4,300,016	177.2%	79.07%
2018	4.835483%	7,315,767	4,362,270	167.7%	76.69%
2017	5.011399%	9,270,959	4,580,658	202.4%	74.17%
2016	4.989295%	7,484,100	4,522,302	165.5%	78.13%
2015	4.750474%	6,407,333	4,204,756	159.5%	79.37%

* The amounts presented have a measurement date of the previous fiscal year end.

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

See notes to the required supplementary information.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Schedule of Employer Pension Contributions
For the Year Ended June 30, 2023

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 1,121,953	\$ 1,121,953	\$ -	\$ 5,042,485	22.25%
2022	1,044,923	1,044,923	-	4,696,283	22.25%
2021	905,580	905,580	-	4,312,285	21.00%
2020	829,001	829,001	-	4,363,164	19.00%
2019	817,003	817,003	-	4,300,016	19.00%
2018	808,206	808,206	-	4,253,716	19.00%
2017	828,831	828,831	-	4,362,270	19.00%
2016	870,325	870,325	-	4,580,658	19.00%
2015	857,983	857,983	-	4,522,302	18.97%

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

See notes to the required supplementary information.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Required Supplementary Information

(1) Budgetary and Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. 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.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. 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 and as finally amended by the Clerk of Court.

(2) Pension Plan

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

(3) Other Postemployment Benefits

- a. Benefit Changes – There were no changes of benefit terms.
- b. Changes of Assumptions – The discount rate increased from 3.54% to 3.65% for the year ended June 30, 2023.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Notes to the Required Supplementary Information (Continued)

(4) Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the general fund had actual expenditures over appropriations at the function level, as follows:

<u>Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General government	\$ 10,500,172	\$10,822,490	\$ (322,318)
Capital outlay	266,292	300,385	(34,093)

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Comparative Statement of Net Position
June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 23,062,336	\$ 21,629,545
Accounts receivable	236,759	270,032
Due from State of Louisiana - non-support program	104,121	29,779
Prepaid expenditures	-	84,614
Total current assets	23,403,216	22,013,970
Capital assets, net	486,752	380,208
Total assets	23,889,968	22,394,178
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	4,822,839	2,430,113
Deferred outflows related to postemployment benefit obligation	4,962,753	5,866,348
Total deferred outflows of resources	9,785,592	8,296,461
LIABILITIES		
Current liabilities:		
Accounts and other payables	341,838	373,944
Due to other governmental units	20,779	9,530
Total current liabilities	362,617	383,474
Noncurrent liabilities:		
Compensated absences	933,277	820,970
Net OPEB obligation	14,577,242	14,358,209
Net pension liability	11,109,801	5,682,519
Total noncurrent liabilities	26,620,320	20,861,698
Total liabilities	26,982,937	21,245,172
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	288,536	2,963,740
Deferred inflows related to postemployment benefit obligation	3,634,634	3,934,352
Total deferred inflows of resources	3,923,170	6,898,092
NET POSITION		
Net investment in capital assets	486,752	380,208
Unrestricted	2,282,701	2,167,167
Total net position (deficit)	\$ 2,769,453	\$ 2,547,375

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash	\$ 3,450	\$ 3,450
Interest-bearing deposits	23,058,886	21,626,095
Receivables:		
Accounts receivable	236,759	270,032
Due from State of Louisiana - non-support program	104,121	29,779
Prepaid expenditures	-	84,614
Total assets	\$ 23,403,216	\$ 22,013,970
LIABILITIES AND FUND BALANCE		
Liabilities:		
Cash overdraft	\$ 21,502	\$ 17,319
Accounts payable	17,042	25,931
Claims payable	165,738	77,739
Payroll liabilities payable	129,269	95,121
Due to other governmental agencies	20,779	9,530
Total liabilities	354,330	225,640
Fund balance:		
Nonspendable (prepaid expenditures)	-	84,614
Assigned - long term benefits	4,000,000	4,000,000
Unassigned	19,048,886	17,703,716
Total fund balance	23,048,886	21,788,330
Total liabilities and fund balance	\$ 23,403,216	\$ 22,013,970

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Revenues:					
Licenses and permits	\$ 329,000	\$ 334,506	\$ 333,866	\$ (640)	\$ 334,645
Fees, charges and commissions -					
Court costs, fees and charges	283,100	228,692	271,807	43,115	316,329
Fees for recording legal documents	10,034,000	9,226,711	9,208,414	(18,297)	10,740,916
Fees for certified copies	800,000	604,448	614,336	9,888	818,688
Intergovernmental	185,000	239,234	228,673	(10,561)	271,335
Miscellaneous	671,000	1,653,429	1,726,335	72,906	688,777
Total revenues	<u>12,302,100</u>	<u>12,287,020</u>	<u>12,383,431</u>	<u>96,411</u>	<u>13,170,690</u>
Expenditures:					
Current -					
General government:					
Personnel services and related benefits	8,466,499	9,019,874	9,261,471	(241,597)	8,616,309
Operating services	1,026,500	1,037,139	1,073,134	(35,995)	938,865
Material and supplies	365,000	436,048	403,048	33,000	319,129
Appropriations to Lafayette City - Parish Consolidated Government	20,000	7,111	84,837	(77,726)	178,946
Capital outlay	389,800	266,292	300,385	(34,093)	22,826
Total expenditures	<u>10,267,799</u>	<u>10,766,464</u>	<u>11,122,875</u>	<u>(356,411)</u>	<u>10,076,075</u>
Net change in fund balance	2,034,301	1,520,556	1,260,556	(260,000)	3,094,615
Fund balance, beginning of year	<u>21,788,330</u>	<u>21,788,330</u>	<u>21,788,330</u>	-	<u>18,693,715</u>
Fund balance, end of year	<u>\$23,822,631</u>	<u>\$23,308,886</u>	<u>\$23,048,886</u>	<u>\$ (260,000)</u>	<u>\$21,788,330</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023				2022 Actual
	Budget		Actual	Variance - Positive (Negative)	
	Original	Final			
Licenses and permits:					
Marriage licenses	\$ 49,000	\$ 46,578	\$ 49,350	\$ 2,772	\$ 49,499
Birth/death certificates	280,000	287,928	284,516	(3,412)	285,146
Total licenses and permits	<u>329,000</u>	<u>334,506</u>	<u>333,866</u>	<u>(640)</u>	<u>334,645</u>
Fees, charges and commissions:					
Court costs, fees and charges -					
Criminal costs	140,000	114,359	122,451	8,092	136,679
Court attendance reporting	27,000	-	28,880	28,880	57,200
Other	116,100	114,333	120,476	6,143	122,450
Total court costs, fees and charges	<u>283,100</u>	<u>228,692</u>	<u>271,807</u>	<u>43,115</u>	<u>316,329</u>
Fees for recording legal documents:					
Recordings	4,500,000	3,673,771	3,800,040	126,269	5,112,737
LCRAA	110,000	81,616	84,715	3,099	115,465
Index search	9,000	8,100	8,260	160	9,280
Cancellations	550,000	344,378	344,353	(25)	558,471
Mortgage certificates	30,000	30,413	31,182	769	33,903
Suits and successions	4,800,000	5,052,496	4,903,115	(149,381)	4,872,408
UCC filing	35,000	35,937	36,749	812	38,652
Total fees for recording legal documents	<u>10,034,000</u>	<u>9,226,711</u>	<u>9,208,414</u>	<u>(18,297)</u>	<u>10,740,916</u>
Certified copies	<u>800,000</u>	<u>604,448</u>	<u>614,336</u>	<u>9,888</u>	<u>818,688</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023				2022 Actual
	Budget		Actual	Variance - Positive (Negative)	
	Original	Final			
Intergovernmental:					
Charges reimbursable by parish government	50,000	120,000	55,957	(64,043)	121,746
Federal grant - non-support	<u>135,000</u>	<u>119,234</u>	<u>172,716</u>	<u>53,482</u>	<u>149,589</u>
Total intergovernmental	<u>185,000</u>	<u>239,234</u>	<u>228,673</u>	<u>(10,561)</u>	<u>271,335</u>
Miscellaneous:					
Interest earned	90,000	1,007,870	1,083,470	75,600	114,419
Elections	14,000	32,256	30,256	(2,000)	12,563
Other	<u>567,000</u>	<u>613,303</u>	<u>612,609</u>	<u>(694)</u>	<u>561,795</u>
Total miscellaneous	<u>671,000</u>	<u>1,653,429</u>	<u>1,726,335</u>	<u>72,906</u>	<u>688,777</u>
 Total revenues	 <u>\$ 12,302,100</u>	 <u>\$ 12,287,020</u>	 <u>\$ 12,383,431</u>	 <u>\$ 96,411</u>	 <u>\$ 13,170,690</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance - Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Expenditures:					
Current -					
Personnel services and related benefits -					
Salaries:					
Clerk	\$ 163,389	\$ 163,389	\$ 163,389	\$ -	\$ 162,189
Deputy clerks	4,895,411	4,942,480	4,975,990	(33,510)	4,625,746
Clerk's expense allowance	16,099	16,099	16,099	-	15,979
Clerk's vehicle allowance	22,000	26,563	26,563	-	26,365
Clerk's supplemental fund	69,600	69,600	69,300	300	65,900
Hospitalization claims, net	1,400,000	1,850,974	2,045,337	(194,363)	1,882,162
Payroll taxes, retirement and compensated absences	<u>1,900,000</u>	<u>1,950,769</u>	<u>1,964,793</u>	<u>(14,024)</u>	<u>1,837,968</u>
Total personnel services and related benefits	<u>8,466,499</u>	<u>9,019,874</u>	<u>9,261,471</u>	<u>(241,597)</u>	<u>8,616,309</u>
Operating services -					
Insurance	55,000	63,864	139,524	(75,660)	54,444
Professional fees	60,000	80,502	78,851	1,651	59,773
UCC filing	6,000	3,812	3,599	213	5,642
LCRAA	120,000	77,072	66,045	11,027	114,655
Telephone	11,000	11,344	11,444	(100)	9,851
Travel and conventions	15,000	19,565	21,152	(1,587)	13,154
Election expense allowance	15,000	3,534	3,534	-	2,357
Copier expense	47,000	49,271	48,065	1,206	46,096
Computer operations	450,000	507,137	457,392	49,745	360,870
Parking fees	31,000	31,104	31,104	-	30,444
Training	20,000	14,883	14,884	(1)	25,150
Marriage & birth/death	185,000	164,443	178,462	(14,019)	194,631
Workers' compensation	7,500	6,786	6,730	56	6,402
Miscellaneous	<u>4,000</u>	<u>3,822</u>	<u>12,348</u>	<u>(8,526)</u>	<u>15,396</u>
Total operating services	<u>1,026,500</u>	<u>1,037,139</u>	<u>1,073,134</u>	<u>(35,995)</u>	<u>938,865</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023				2022 Actual
	Budget		Actual		
	Original	Final			
Materials and supplies -					
Office supplies and operations	300,000	412,322	379,021	33,301	310,700
Automobile and maintenance	-	-	84	(84)	-
Dues and subscription	5,000	5,840	6,261	(421)	3,744
Uniforms	60,000	17,886	17,682	204	4,685
Total materials and supplies	<u>365,000</u>	<u>436,048</u>	<u>403,048</u>	<u>33,000</u>	<u>319,129</u>
Appropriations to Lafayette City-Parish Consolidated Government - Operating revenues and expenditures unreimbursed	<u>20,000</u>	<u>7,111</u>	<u>84,837</u>	<u>(77,726)</u>	<u>178,946</u>
Capital outlay -					
Office equipment	23,000	3,249	3,249	-	-
Computer Software	116,800	-	-	-	-
Computer equipment	250,000	263,043	297,136	(34,093)	22,826
Total capital outlay	<u>389,800</u>	<u>266,292</u>	<u>300,385</u>	<u>(34,093)</u>	<u>22,826</u>
Total expenditures	<u>\$ 10,267,799</u>	<u>\$ 10,766,464</u>	<u>\$ 11,122,875</u>	<u>\$ (356,411)</u>	<u>\$ 10,076,075</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Receipts from:		
Criminal Fines (Other) - Lafayette Parish Sheriff	\$ 41,167	\$ 45,165
Criminal Fines - Contempt Lafayette Consolidated Government	9,148	12,151
Bond Fees Lafayette Consolidated Government	<u>7,696</u>	<u>7,124</u>
Total Receipts	<u>\$ 58,011</u>	<u>\$ 64,440</u>

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected	\$ 9,538,590	\$ 9,808,094
Add: Collections		
Civil Fees	3,912,396	4,278,882
Bond Fees	<u>418,485</u>	<u>430,996</u>
Subtotal Collections	<u>4,330,881</u>	<u>4,709,878</u>
Less: Disbursements to Governments and Nonprofits		
Civil Fees -		
Louisiana State Treasurer/Judges Compensation Fund	97,377	104,202
Judicial Expense Fund/Judicial expense	50,205	54,083
Law Library	15,912	25,317
Supreme Court of Louisiana/Commissioner of Insurance	3,775	3,575
Supreme Court of Louisiana/ka Judicial College Fund	1,671	1,810
Commissioner of Insurance	100	275
Court of Appeals	9,793	7,098
Battered Women's Shelter	3,492	4,390
Lafayette Volunteer Lawyers	17	14
Acadiana Legal	15,884	17,050
Lafayette Bar Foundation	15,912	17,108
Secretary of State	43,829	40,289
Acadia Parish Sheriff	5,893	7,418
Allen Parish Sheriff	248	364
Ascension Parish Sheriff	975	402
Assumption Parish Sheriff	6	136
Avoyelles Parish Sheriff	444	1,017
Beauregard Parish Sheriff	97	503
Bossier Parish Sheriff	509	-
Caddo Parish Sheriff	1,326	1,625
Calcasieu Parish Sheriff	2,521	3,011
Caldwell Parish Sheriff	-	30
Catahoula Parish Sheriff	-	34
Concordia Parish Sheriff	115	183
East Baton Rouge Parish Sheriff	68,719	70,047
East Feliciana Parish Sheriff	108	188
Evangeline Parish Sheriff	1,654	1,492
Franklin Parish Sheriff	-	144
Grant Parish Sheriff	59	300
Iberia Parish Sheriff	4,531	6,080

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Iberville Parish Sheriff	34	691
Jefferson Davis Parish Sheriff	720	463
Jefferson Parish Sheriff	6,940	5,715
Lafourche Parish Sheriff	775	493
Lafayette Parish Sheriff	223,110	247,467
Lasalle Parish Sheriff	67	-
Lincoln Parish Sheriff	41	-
Livingston Parish Sheriff	376	232
Madison Parish Sheriff	74	90
Morehouse Parish Sheriff	85	-
Natchitoches Parish Sheriff	156	355
Orleans Parish Sheriff	6,090	5,001
Ouachita Parish Sheriff	767	804
Plaquemine Parish Sheriff	60	180
Pointe Coupee Parish Sheriff	156	161
Rapides Parish Sheriff	1,059	1,778
Red River Parish Sheriff	71	66
Richland Parish Sheriff	156	103
Sabine Parish Sheriff	-	97
St Bernard Parish Sheriff	164	135
St Charles Parish Sheriff	261	175
St Helena Parish Sheriff	45	121
St James Parish Sheriff	51	155
St John the Baptist Parish Sheriff	35	7,904
St Landry Parish Sheriff	7,071	10,647
St Martin Parish Sheriff	8,187	266
St Mary Parish Sheriff	1,328	1,701
St Tammany Parish Sheriff	3,054	2,112
Tangipahoa Parish Sheriff	662	833
Terrebonne Parish Sheriff	1,274	1,050
Vermilion Parish Sheriff	6,469	8,042
Vernon Parish Sheriff	379	189
Washington Parish Sheriff	-	50
West Baton Rouge Parish Sheriff	334	72
West Feliciana Parish Sheriff	30	77
Bond Fees -		
Lafayette Consolidated Government	21,494	24,844
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	2,345,325	2,557,790

(continued)

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

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

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Less: Disbursements to Individuals/3rd Party Collection		
Civil Fee Refunds	733,994	733,586
Bond Fee Refunds	260,160	277,104
Other Disbursements to Individuals	<u>85,151</u>	<u>66,491</u>
Subtotal Disbursements/Retainage	<u>4,061,377</u>	<u>4,325,225</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 9,808,094</u>	<u>\$ 10,192,747</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Louis J. Perret
Lafayette Parish Clerk of Court
Lafayette, Louisiana

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

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 a certain deficiency in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Lafayette Parish 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 summary schedule of current and prior year findings and management's corrective action plan. The Clerk of Court's response was not subjected 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 30, 2023

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2023

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings-

2023-001 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2022

Criteria: The Clerk of Court should be able to record financial transactions and prepare financial statements in accordance with GAAP.

Condition: The Clerk of Court does not have a staff person who has the qualifications and training necessary to apply generally accepted accounting principles (GAAP) in recording the Clerk of Court's financial transactions or preparing its financial statements, including the related notes.

Cause: The Clerk of Court does not have personnel with the qualifications needed to perform this function.

Effect: The Clerk of Court's financial transactions and financial statements may not be prepared in accordance with GAAP.

Recommendation: The Clerk of Court should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Management's Corrective Action Plan: The Clerk of Court has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in best interest of the Clerk of Court to outsource this task to the independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

B. Compliance Findings-

There are no findings to report under this section.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2023

Part II. Prior Year Findings

A. Internal Control Findings-

2022-001 Inadequate Controls Over Financial Statement Preparation

Condition: The Clerk of Court does not have a staff person who has the qualifications and training necessary to apply generally accepted accounting principles (GAAP) in recording the Clerk of Court's financial transactions or preparing its financial statements, including the related notes.

Recommendation: The Clerk of Court should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Current Status: Unresolved. See finding 2023-001.

B. Compliance Findings-

There are no findings to report under this section.

LAFAYETTE PARISH CLERK OF COURT
Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Lafayette Parish Clerk of Court
and the Louisiana Legislative Auditor

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

The Clerk has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the Clerk's written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the Clerk's operations:
 - 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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

(The Clerk does not have a Board or Finance Committee; therefore, this procedure is not applicable.)

- 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.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) 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 unrestricted fund balance in the General Fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

3. We obtained a listing of the Clerk's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the Clerk's main operating account. We selected the Clerk's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the Clerk's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and month selected in Bank Reconciliations procedure #3, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was:
 - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and
 - b) Approved by the required number of authorized signers per the entity's policy.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed 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.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed 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, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. We obtained 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. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. We obtained 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.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) We observed 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) We observed 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), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
- a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the Clerk's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the Clerk's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
20. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

(The Clerk has not issued any debt; therefore, this procedure is not applicable.)

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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).

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the Clerk reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Clerk is domiciled as required by R.S. 24:523.

The Clerk represented that there were no misappropriations of public funds and assets during the fiscal year.

26. We observed that the Clerk 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.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**
 - a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

- c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 above. We observed evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. We observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Collections

- 1. Of the ten deposits selected, four deposits were not made within one business day of receipt.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

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

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

This report is intended solely to describe the scope of testing performed on those 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 30, 2023