

**EAST BATON ROUGE PARISH
CLERK OF COURT**

Financial Report

Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Honorable Doug Welborn
East Baton Rouge Parish Clerk of Court
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Clerk of Court (hereinafter "Clerk of Court"), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion on Custodial Fund

Due to the Clerk of Court's inability to reconcile the individual suit balances in its Advanced Deposit Fund with the corresponding unsettled deposits liability recorded on its statement of fiduciary assets and liabilities at June 30, 2021 we were unable to satisfy ourselves, by any auditing procedures, as to the reasonableness of the accounts receivable and unsettled deposits account balances recorded in this fund at June 30, 2021. The effect on the financial statements of not reconciling these individual suit balances cannot be reasonably determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Agency Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Custodial Fund of the Clerk of Court, as of June 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

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 other than the Advanced Deposit Fund of the Clerk of Court, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 39 and the 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 40 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The other supplementary information on pages 46 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative statements and justice system funding schedules on pages 46, 48, 52-55 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these comparative statements and 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 2020 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The budgetary comparison schedules on pages 49 through 51 have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
March 28, 2022

BASIC FINANCIAL STATEMENTS

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Statement of Net Position
June 30, 2021

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and interest-bearing deposits | \$ 17,213,286 |
| Receivables, net | <u>114,789</u> |
| Total current assets | 17,328,075 |
| Noncurrent assets: | |
| Capital assets, net | <u>1,195,652</u> |
| TOTAL ASSETS | <u>18,523,727</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pension | 8,372,048 |
| Deferred outflows of resources related to postemployment benefit obligation | <u>12,931,511</u> |
| Total deferred outflows of resources | <u>21,303,559</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 345,394 |
| Accrued expenses | 24,191 |
| Accrued payroll liabilities | 453,016 |
| Accrued health insurance claims | 434,593 |
| Due to other governments | <u>213,480</u> |
| Total current liabilities | <u>1,470,674</u> |
| Noncurrent liabilities: | |
| Compensated absences | 989,342 |
| Net OPEB obligation | 63,720,874 |
| Net pension liability | <u>18,962,482</u> |
| Total noncurrent liabilities | <u>83,672,698</u> |
| TOTAL LIABILITIES | <u>85,143,372</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to pension | <u>234,558</u> |
| NET POSITION | |
| Net investment in capital assets | 1,195,652 |
| Unrestricted (deficit) | <u>(46,746,296)</u> |
| TOTAL NET POSITION | <u>\$ (45,550,644)</u> |

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

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, Louisiana

Statement of Activities
For the Year Ended June 30, 2021

| Activities | Expenses | Program Revenues | | Net (Expense) Revenues and Changes in Net Position Governmental Activities |
|--|----------------------|-------------------------|---------------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities: | | | | |
| General government | <u>\$ 25,952,680</u> | <u>\$ 20,352,238</u> | <u>\$ 310,877</u> | <u>\$ (5,289,565)</u> |
| General revenues: | | | | |
| Interest and investment earnings | | | | 182,051 |
| Non-employer pension contribution | | | | <u>912,202</u> |
| Total general revenues | | | | <u>1,094,253</u> |
| Change in net position | | | | (4,195,312) |
| Net position (deficit) - July 1, 2020 | | | | <u>(41,355,332)</u> |
| Net position (deficit) - June 30, 2021 | | | | <u>\$ (45,550,644)</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, Louisiana

Balance Sheet - Governmental Fund
June 30, 2021

| | <u>General Fund</u> |
|---|--------------------------|
| ASSETS | |
| Cash and interest-bearing deposits | \$ 17,213,286 |
| Accounts receivable, net | <u>114,789</u> |
| Total assets | <u>\$ 17,328,075</u> |
| LIABILITIES AND FUND BALANCE | |
| Liabilities: | |
| Accounts payable | \$ 345,394 |
| Accrued expenses | 24,191 |
| Accrued payroll liabilities | 453,016 |
| Accrued health insurance claims | 434,593 |
| Due to other governments | <u>213,480</u> |
| Total liabilities | <u>1,470,674</u> |
| Fund balance: | |
| Unassigned | <u>15,857,401</u> |
| Total liabilities and fund balance | <u>\$ 17,328,075</u> |

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

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2021

| | | |
|---|---------------------|------------------------|
| Total fund balance for the governmental fund at June 30, 2021 | | \$ 15,857,401 |
| Cost of capital assets at June 30, 2021 | \$ 9,224,636 | |
| Less: Accumulated depreciation | <u>(8,028,984)</u> | 1,195,652 |
| The deferred outflows of contributions for the clerk employees' retirement system are not available resources and, therefore, are not reported in the funds. | | 8,372,048 |
| The deferred outflows of expenditures for the postemployment benefit obligation are not a use of current resources and, therefore, are not reported in the funds. | | 12,931,511 |
| Noncurrent liabilities at June 30, 2021: | | |
| Compensated absences payable | (989,342) | |
| Net OPEB obligation payable | (63,720,874) | |
| Net pension payable | <u>(18,962,482)</u> | (83,672,698) |
| The deferred inflows of contributions for the clerk employees' retirement system are not payable from current expendable resources and, therefore, are not reported in the funds. | | <u>(234,558)</u> |
| Net position (deficit) at June 30, 2021 | | <u>\$ (45,550,644)</u> |

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

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2021

| | <u>General Fund</u> |
|---|---------------------|
| Revenues: | |
| Fees, charges and commissions for services: | |
| Recordings | \$ 8,426,174 |
| Uniform Commercial Code fees | 270,960 |
| Cancellations | 1,060,110 |
| Mortgage certificates | 231,241 |
| Court attendance | 11,037 |
| Court minute fees | 44,352 |
| Photocopies | 1,484,623 |
| Fines and forfeitures | 306,902 |
| Suits and successions | 7,908,345 |
| Other fees | 509,648 |
| Intergovernmental | 310,877 |
| Licenses | 98,846 |
| Interest revenue | 182,051 |
| Total revenues | 20,845,166 |
| | |
| Expenditures: | |
| Current - | |
| Personnel services and related benefits | 14,660,631 |
| Materials and supplies | 262,070 |
| Operating services | 1,305,193 |
| Auto and travel | 14,340 |
| Capital outlay | 1,244 |
| Total expenditures | 16,243,478 |
| Excess of revenues over expenditures | 4,601,688 |
| Fund balance, beginning of year | 11,255,713 |
| Fund balance, end of year | \$ 15,857,401 |

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

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, 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, 2021

| | | |
|--|--------------------|-----------------------|
| Total net change in fund balance for the year ended June 30, 2021 per Statement of Revenues, Expenditures, and Changes in Fund Balance | | \$ 4,601,688 |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | |
| Capital outlay which is considered an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balance | \$ 1,244 | |
| Depreciation expense for the year ended June 30, 2021 | <u>(161,627)</u> | (160,383) |
| Compensated absences at June 30, 2021 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure. | | (56,380) |
| <p>Differences between the amount reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements:</p> | | |
| OPEB benefits | (7,532,497) | |
| Pension expense | <u>(1,959,942)</u> | (9,492,439) |
| Nonemployer's contributions to the Louisiana Clerk's of Court Retirement and Relief Fund | | <u>912,202</u> |
| Total change in net position for the year ended June 30, 2021 per Statement of Activities | | <u>\$ (4,195,312)</u> |

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Combining Statement of Fiduciary Assets and Liabilities
Custodial Funds
June 30, 2021

| | Advance Deposit Fund | Registry of Court Fund | Bond Fund | Total |
|-------------------------------------|----------------------------|------------------------------|---------------------|----------------------|
| ASSETS | | | | |
| Cash | \$ 34,493,273 | \$ 19,677,265 | \$ 2,600,663 | \$ 56,771,201 |
| Interest-bearing deposits | 18,100,000 | 17,240 | 5,535 | 18,122,775 |
| Accounts receivable | 1,174,181 | - | - | 1,174,181 |
| Other | - | 212 | - | 212 |
| Total assets | <u>\$ 53,767,454</u> | <u>\$ 19,694,717</u> | <u>\$ 2,606,198</u> | <u>\$ 76,068,369</u> |
| LIABILITIES | | | | |
| Due to litigants and others | \$ - | \$ - | \$ - | \$ - |
| NET POSITION | | | | |
| Restricted for litigants and others | <u>\$ 53,767,454</u> | <u>\$ 19,694,717</u> | <u>\$ 2,606,198</u> | <u>\$ 76,068,369</u> |

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

| | Advance Deposit Fund | Registry of Court Fund | Bond Fund | Total |
|--|----------------------------|------------------------------|---------------------|----------------------|
| Additions: | | | | |
| Suits and successions | \$ 24,831,828 | \$ - | \$ - | \$ 24,831,828 |
| Judgments | - | 18,197,623 | 167,079 | 18,364,702 |
| Interest earned | - | 18,634 | 2,124 | 20,758 |
| Total additions | 24,831,828 | 18,216,257 | 169,203 | 43,217,288 |
| Reductions: | | | | |
| Clerk's costs (transferred to General Fund) | 7,908,346 | - | - | 7,908,346 |
| Settlements to litigants | - | 19,068,821 | 22,722 | 19,091,543 |
| Refunds | 2,068,691 | - | - | 2,068,691 |
| Sheriff's fees | 1,736,090 | - | - | 1,736,090 |
| Judicial expense fund | 5,591,235 | - | - | 5,591,235 |
| Adjustment to accounts receivable | (256,396) | - | - | (256,396) |
| Other reductions | 1,151,034 | - | - | 1,151,034 |
| Total reductions | 18,199,000 | 19,068,821 | 22,722 | 37,290,543 |
| Net increase/(decrease) in fiduciary net position | \$ 6,632,828 | \$ (852,564) | \$ 146,481 | \$ 5,926,745 |
| Net position - beginning (as restated) | 47,134,626 | 20,547,281 | 2,459,717 | 70,141,624 |
| Net position - ending | \$ 53,767,454 | \$ 19,694,717 | \$ 2,606,198 | \$ 76,068,369 |

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the East Baton Rouge 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. Organization and Nature of Operations

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court (Clerk) serves as the ex-officio notary public and the parish recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk 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 Statement 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. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Combining Statement of Fiduciary Assets and Liabilities and the Combining Statement of Changes in Fiduciary Net Position at the fund financial statement level.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, 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, including all taxes, 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 of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Fiduciary Funds -

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

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

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

Bond Fund – accounts for bond deposits which have been ordered by the court to be held until judgment has been rendered in court litigation.

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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, 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 are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and interest-bearing deposits

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Clerk has defined cash and cash equivalents to include cash on hand, demand deposits, and time deposits with original maturities of 90 days or less. Under Louisiana Revised Statutes 39:1271 and 33:2955, the Clerk may deposit funds in demand deposits, interest-bearing demand deposits, or certificates of deposit with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Clerk's investment policy. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

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 \$1,000 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.

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, equipment, and improvements range from five to ten years.

Compensated Absences

The Clerk accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

The Clerk has the following policy related to annual and sick leave:

Annual leave is determined by the number of years of service and accrues each pay period. Accrued annual leave is carried over from year to year, with no limit on the amount that may be accumulated. Upon termination of employment for any cause, an employee will be paid for accrued annual leave not to exceed 280 hours.

Regardless of the number of years of service, sick leave amounts to twelve days per year and accumulates each pay period. Sick leave carries over from year to year, with no limit on the amount that may be accumulated. Upon termination of employment for any cause, an employee will not be paid for any accumulated sick leave.

At June 30, 2021, employees of the Clerk had accumulated and vested \$989,342 of annual leave benefits, which was computed in accordance with professional standards.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

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 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 – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Clerk of Court's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two above components and is available for general use by the Clerk of Court.

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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

- 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. Under the Clerk of Court’s adopted policy only the Clerk of Court may assign amounts for specified purposes.
- 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, 2021, there was no amount due to the parish treasurer because the General Fund’s fund balance at June 30, 2021 did not exceed one-half of the revenues of the General Fund for the last year of the clerk’s four-year term of office.

E. 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 as follows:

Governmental Funds – By Character and Function

F. Bad Debts

Bad debts are charged to operations during the year in which the account is deemed uncollectible. If the reserve method of accounting for uncollectible accounts had been used, it would not have had a material effect on the financial statements.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

G. Clerk's Fees Transferred from Advance Deposit Agency 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.

H. 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.

(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, 2021, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$92,107,262 as follows:

| | Governmental Activities | Fiduciary Funds | Total |
|--------------------------------|----------------------------|--------------------|---------------|
| Cash | \$ 3,925 | \$ 56,771,201 | \$ 56,775,126 |
| Time and money market deposits | 17,209,361 | 18,122,775 | 35,332,136 |
| Total | \$ 17,213,286 | \$ 74,893,976 | \$ 92,107,262 |

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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

The following is a summary of deposit balances (bank balances) at June 30, 2021, and the related federal insurance and pledged securities:

| | |
|--|----------------------|
| Bank balances | <u>\$ 87,761,493</u> |
| Federal insurance | \$ 31,962,014 |
| Pledged securities | <u>55,799,479</u> |
| Total federal insurance and pledged securities | <u>\$ 87,761,493</u> |

Deposits in the amount of \$55,799,479 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Clerk of Court's name. The Clerk of Court does not have a formal written policy for custodial credit risk.

(3) Accounts Receivable

Accounts receivable at June 30, 2021 consisted of the following:

| | |
|-------------------------------|------------------|
| General Fund: | |
| Trade accounts, net | \$ 85,257 |
| Miscellaneous | 17,790 |
| NSF checks | <u>11,742</u> |
| Total account receivable, net | <u>\$114,789</u> |

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 is as follows:

| | Balance 07/01/20 | Additions | Deletions | Balance 06/30/21 |
|--|---------------------|---------------------|---------------|---------------------|
| Furniture, equipment, and improvements | \$9,245,422 | \$ 1,244 | \$ 22,030 | \$9,224,636 |
| Less: Accumulated depreciation | <u>7,889,387</u> | <u>161,627</u> | <u>22,030</u> | <u>8,028,984</u> |
| Net capital assets | <u>\$1,356,035</u> | <u>\$ (160,383)</u> | <u>\$ -</u> | <u>\$1,195,652</u> |

Depreciation expense of \$161,627 was charged to the general government function in the Statement of Activities.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

(5) Payables

Accounts payable at June 30, 2021 consisted of the following:

| | | |
|-------------------------------------|-------------------|-------------------|
| Accounts payable: | | |
| Trade payables | \$ 188,705 | |
| Escrow accounts | <u>156,689</u> | |
| Total accounts payable | <u>\$ 345,394</u> | |
| Due to other governments: | | |
| Due to 19th Judicial District Court | | |
| Judicial Expense Building Fund | | <u>\$ 213,480</u> |

(6) Changes in Compensated Absences

The following is a summary of compensated absences transactions of the Clerk of Court for the year ended June 30, 2021:

| | Balance 07/01/20 | Additions | Reductions | Balance 06/30/21 |
|--------------------------|---------------------|------------------|------------------|---------------------|
| Governmental activities: | | | | |
| Compensated absences | <u>\$ 932,962</u> | <u>\$ 74,637</u> | <u>\$ 18,257</u> | <u>\$ 989,342</u> |

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

Plan description- The Clerk's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The Clerk's OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk. Louisiana Revised Statute 13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement GASB 75.

Benefits provided- The Clerk provides medical, prescription drug, dental and life insurance benefits on behalf of its eligible retirees and dependents. To be eligible to continue coverage under the Clerk's plan, an employee must retire from the Clerk and be eligible to receive retirement funds under the Louisiana Clerks' of Court Retirement and Relief Fund ("CCRRF").

The Clerk maintains self-funded medical and dental plans covering current and retired employees and their dependents. Retirees are also eligible to continue their life insurance benefits with a reduced benefit amount.

Effective August 1, 2013, the Clerk began paying 100% of the group health benefit premiums for employees that retired at least age 55 with 12 years of service. After October 2016, the Clerk began requiring retirees to contribute \$150 per month for covered dependents.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

Employees covered by benefit terms- At July 1, 2019, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees currently receiving benefit payments | 78 |
| Inactive employees entitled to but not yet receiving benefit terms | - |
| Active employees | <u>144</u> |
| Total | <u>222</u> |

Total OPEB Liability

The Clerk's total OPEB liability of \$63,720,874 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial assumptions and other inputs- The total OPEB liability in the June 30, 2021 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 | 1.92% |
| Prior year discount rate | 2.45% |
| Retirees' share of benefit-related costs | None |

The discount rate was based on the 6/30/2021 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table for males and females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2020.

Mortality rates for retirees were based on the PubG.H-2010 Healthy Annuitant Mortality Table for males and females, as appropriate, with generational adjustments for mortality improvement on Scale MP-2020.

Mortality rates for disabled retirees were based on the PubG.H-2010 Disable Mortality Table for males and females, as appropriate, with generational adjustments for mortality improvement on Scale MP-2020.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

Changes in Total OPEB Liability

| | |
|--|----------------------|
| Balance at June, 30 2020 | <u>\$ 57,009,306</u> |
| Changes for the year: | |
| Service Cost | 889,765 |
| Interest | 1,403,208 |
| Differences between expected and actual experience | 1,026,471 |
| Changes in assumptions/inputs | 4,642,667 |
| Change in benefit terms | - |
| Benefit payments | (1,250,543) |
| Administrative expense | - |
| Net changes | <u>6,711,568</u> |
| Balance at June 30, 2021 | <u>\$ 63,720,874</u> |

Sensitivity of the total OPEB liability to changes in the discount rate- The following presents the total OPEB liability to the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower .92% or 1-percentage-point higher 2.92% than the current discount rate:

| | 1% Decrease 0.92% | Discount Rate 1.92% | 1% Increase 2.92% |
|----------------------|----------------------|------------------------|----------------------|
| Total OPEB Liability | <u>\$77,370,967</u> | <u>\$ 63,720,874</u> | <u>\$52,999,105</u> |

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

| | 1% Decrease | Trend Rate | 1% Increase |
|----------------------|---------------------|----------------------|---------------------|
| Total OPEB Liability | <u>\$51,787,312</u> | <u>\$ 63,720,874</u> | <u>\$79,422,544</u> |

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

For the year ended June 30, 2021, the Clerk recognized an OPEB expense of \$8,783,041. At June 30, 2021, the Clerk reported deferred outflows of resources related to OPEB from the following sources:

| | |
|---|---|
| | <u>Deferred Outflows of Resources</u> |
| Difference between expected and actual experience | \$ 4,451,579 |
| Changes of assumptions or other inputs | 8,479,932 |
| Total | <u>\$ 12,931,511</u> |

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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

| | |
|---------------------|---------------------|
| Year Ended June 30, | |
| 2022 | \$ 6,474,960 |
| 2023 | 5,039,266 |
| 2024 | <u>1,417,285</u> |
| Total | <u>\$12,931,511</u> |

At June 30, 2021, the Clerk did not have any amounts owed to the OPEB plan.

(8) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. 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 (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 Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund that may be accessed on their website as follows:

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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

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

Disability Benefits:

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

- 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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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

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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

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, 2021, the actual employer contribution rate was 21%.

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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, 2020 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2020.

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, 2020 is summarized in the following table:

| Asset Class | LACRF* | |
|----------------------|----------------------|--|
| | Target Allocation | Long-term Expected Real Rate of Return |
| Fixed Income: | | |
| Domestic bonds | 20.00% | 2.50% |
| International bonds | | 3.50% |
| Domestic Equity | 33.00% | 7.50% |
| International Equity | 22.00% | 8.50% |
| Real Estate | 15.00% | 4.50% |
| Hedge Funds | 10.00% | 6.59% |
| 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, 2021, the Clerk reported a liability of \$18,962,482 for its proportionate share of the net pension liability. The net pension liability was measured as of 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Clerk's proportion was 7.881773%, which was an increase of .11835% from its proportion measured as of June 30, 2019.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

For the year ended June 30, 2021, the Clerk recognized pension expense of \$3,755,153 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$1,704. At June 30, 2021, the Clerk 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 | \$ 236,929 | \$ - |
| Change of assumptions | 1,681,809 | - |
| Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 593,965 | 234,558 |
| Net differences between projected and actual earnings on plan investments | 4,064,139 | - |
| Contributions subsequent to the measurement date | 1,795,206 | - |
| Total | \$ 8,372,048 | \$ 234,558 |

Deferred outflows of resources of \$1,795,206 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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, | |
|------------------------|--------------|
| 2022 | \$ 1,609,244 |
| 2023 | 2,025,518 |
| 2024 | 1,591,070 |
| 2025 | 1,116,452 |
| Total | \$ 6,342,284 |

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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

| | |
|----------------------------------|--|
| Investment Rate of Return | 6.75%, net of investment expense |
| Projected Salary Increases | 1-5 years of service - 6.2%, 5 years of service or more - 5% |
| Inflation | 2.50% |
| Mortality rates | Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale. |
| Expected Remaining Service Lives | 5 years |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the Fund and 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 actuarial assumptions used are based on the assumptions used in the 2020 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

The discount rate used to measure the total pension liability was 6.75%. 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 net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

| | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|-----------------------|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability | \$ 26,461,870 | \$ 18,962,482 | \$ 12,641,434 |

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.

As of June 30, 2021, the Clerk did not owe any amounts to the Louisiana Clerks' of Court Retirement and Relief Fund.

(9) Risk Management

The Clerk is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Clerk carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Workmens' compensation coverage is maintained by paying premiums to a commercial insurance carrier. The premium is based upon accident history and administrative costs.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

The Clerk provides health care benefits for its employees through its self-funded employee medical benefit plan. This program provides employee health benefit coverage up to \$125,000 per insured per year. The Clerk purchases commercial insurance for claims in excess of this annual threshold. Several claims exceeded the commercial threshold during the fiscal year ended June 30, 2021.

The claims liabilities of \$434,593 reported at June 30, 2021, is based on the requirement of Government Accounting Standards Board Statement 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

As required by GASB 10, a reconciliation of the unpaid claims liability is shown below:

| | |
|--|-------------------|
| Unpaid claims and claim adjustment expenses at beginning of year | <u>\$ 856,588</u> |
| Incurred claims and claim adjustment expenses: | |
| Provision for insured events of the current fiscal year | 3,163,408 |
| Increase (decrease) in provision for insured events of prior fiscal years | <u>1,445</u> |
| Total incurred claims and claim adjustment expenses | <u>3,164,853</u> |
| Payments: | |
| Claims and claim adjustment expenses attributable to insured events of the current fiscal year | 2,728,815 |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal years | <u>858,033</u> |
| Total payments | <u>3,586,848</u> |
| Unpaid claims and claim adjustment expenses at end of year | <u>\$ 434,593</u> |

(10) Deferred Compensation Plan

The Clerk adopted two Internal Revenue Code Section 457 deferred compensation plans, one in November 1993 and the other in September 1997. The plans, available to all Clerk employees, permit them to defer a portion of their salary until future periods. Participation in the plan is optional. Effective with the first payroll in 2005, the Clerk has offered a match up to 6% of employee contributions. To be eligible for the matching contribution, eligible employees must be full-time staff with benefits who are vested in the Louisiana Clerks of Court Retirement and Relief Fund. The Clerk's contributions for the year ending June 30, 2021 were \$168,286.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70807-9397.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

(11) Expenses of the Clerk Paid by the City-Parish

Certain operating expenditures of the Clerk's office are paid by the City of Baton Rouge/Parish of East Baton Rouge and are not included in the accompanying financial statements. The City Parish government paid juror and witness fees expenditures of \$375,828 for the year ending June 30, 2021.

(12) Litigation

The Clerk is involved in several legal actions, which arose during the ordinary course of business. In the opinion of the Clerk's legal counsel, the only exposure to the Clerk of Court would be any costs in defense of the lawsuits with no liability in excess of insurance coverage.

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

The schedule of compensation, benefits, and other payments to Doug Welborn, Clerk of Court, for the year ended June 30, 2021 follows:

| | |
|--------------------------|-------------------|
| Salary | \$ 162,189 |
| Expense allowance | 15,979 |
| Benefits - insurance | 2,171 |
| Benefits - retirement | 26,975 |
| Vehicle Allowance | 26,068 |
| Per diem | 429 |
| Registration fees | 1,200 |
| Conference travel- hotel | <u>1,374</u> |
| Total | <u>\$ 236,385</u> |

(14) Change in Accounting Principle

As of July 1, 2020, the Clerk adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement improves guidance relative to the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The adoption of GASB Statement No. 84 had the following effect on net position:

| | Funds |
|---|-------------------|
| Net position, June 30, 2020, as previously reported | \$ - |
| Change in accounting principle: | |
| Net effect of implementing GASB Statement No. 84 | <u>70,141,624</u> |
| Net position, June 30, 2020 as restated | <u>70,141,624</u> |

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

(15) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Clerk's ongoing operations. The extent and severity of the potential impact is unknown at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

| | Budget | | Actual | Variance with |
|---|----------------------|----------------------|----------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Fees, charges and commissions for services: | | | | |
| Recordings | \$ 6,825,000 | \$ 6,825,000 | \$ 8,426,174 | \$ 1,601,174 |
| Uniform Commercial Code fees | 220,000 | 220,000 | 270,960 | 50,960 |
| Cancellations | 670,000 | 670,000 | 1,060,110 | 390,110 |
| Mortgage certificates | 207,000 | 207,000 | 231,241 | 24,241 |
| Court attendance | 30,000 | 30,000 | 11,037 | (18,963) |
| Court minute fees | - | - | 44,352 | 44,352 |
| Photocopies | 1,357,000 | 1,357,000 | 1,484,623 | 127,623 |
| Fines and forfeitures | 214,000 | 214,000 | 306,902 | 92,902 |
| Suits and successions | 7,000,000 | 7,000,000 | 7,908,345 | 908,345 |
| Other fees | 387,400 | 387,400 | 509,648 | 122,248 |
| Intergovernmental | 106,400 | 106,400 | 310,877 | 204,477 |
| Licenses | 78,000 | 78,000 | 98,846 | 20,846 |
| Interest revenue | 204,000 | 204,000 | 182,051 | (21,949) |
| Total revenues | <u>17,298,800</u> | <u>17,298,800</u> | <u>20,845,166</u> | <u>3,546,366</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government: | | | | |
| Personnel services and related benefits | 14,685,825 | 14,685,825 | 14,660,631 | 25,194 |
| Materials and supplies | 258,300 | 258,300 | 262,070 | (3,770) |
| Operating services | 1,278,000 | 1,278,000 | 1,305,193 | (27,193) |
| Auto and travel | 4,000 | 4,000 | 14,340 | (10,340) |
| Capital outlay | 750,000 | 750,000 | 1,244 | 748,756 |
| Total expenditures | <u>16,976,125</u> | <u>16,976,125</u> | <u>16,243,478</u> | <u>732,647</u> |
| Excess of revenues over expenditures | 322,675 | 322,675 | 4,601,688 | 4,279,013 |
| Fund balance, beginning of year | <u>11,255,713</u> | <u>11,255,713</u> | <u>11,255,713</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 11,578,388</u> | <u>\$ 11,578,388</u> | <u>\$ 15,857,401</u> | <u>\$ 4,279,013</u> |

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

| Total OPEB Liability | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Service cost | \$ 889,765 | \$ 530,879 | \$ 413,179 | \$ 401,145 |
| Interest | 1,403,208 | 1,318,581 | 1,137,952 | 1,297,239 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | 1,026,471 | 6,980,495 | 765,913 | 60,429 |
| Changes in assumptions or other inputs | 4,642,667 | 7,507,429 | 4,976,865 | - |
| Benefit payments | <u>(1,250,543)</u> | <u>(1,768,086)</u> | <u>(1,524,370)</u> | <u>(1,045,039)</u> |
| Net changes | 6,711,568 | 14,569,298 | 5,769,539 | 713,774 |
| Total OPEB liability - beginning | <u>57,009,306</u> | <u>42,440,008</u> | <u>36,670,469</u> | <u>35,956,695</u> |
| Total OPEB liability - ending | <u>\$63,720,874</u> | <u>\$57,009,306</u> | <u>\$42,440,008</u> | <u>\$36,670,469</u> |
| Covered employee payroll | \$ 8,128,088 | \$ 7,891,348 | \$ 7,066,594 | \$ 6,860,771 |
| Total OPEB liability as a percentage of covered-employee payroll | 783.96% | 722.43% | 600.60% | 534.50% |

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2021*

| Year ended June 30, | Employer Proportion of the Net Pension Liability | Employer Proportionate Share of the Net Pension Liability | Employer's Covered Payroll | Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---------------------------|--|---|----------------------------------|---|--|
| 2015 | 7.968925% | \$ 10,748,977 | \$ 6,214,037 | 173.0% | 79.37% |
| 2016 | 7.756947% | 11,635,665 | 7,016,215 | 165.8% | 78.13% |
| 2017 | 7.099309% | 13,133,537 | 6,480,345 | 202.7% | 74.17% |
| 2018 | 7.121090% | 10,773,736 | 6,407,966 | 168.1% | 79.69% |
| 2019 | 7.488328% | 12,455,340 | 6,950,031 | 179.2% | 79.07% |
| 2020 | 7.763423% | 14,098,313 | 7,817,016 | 180.4% | 77.93% |
| 2021 | 7.881773% | 18,962,482 | 8,489,981 | 223.4% | 72.09% |

* 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.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund
Schedule of Employer Contributions
For the Year Ended June 30, 2021

| 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 |
|---------------------------|---|---|--|----------------------------------|--|
| 2015 | \$ 1,333,081 | \$ 1,333,081 | \$ - | \$ 7,016,215 | 19.00% |
| 2016 | 1,231,266 | 1,231,266 | - | 6,480,345 | 19.00% |
| 2017 | 1,217,514 | 1,217,514 | - | 6,407,966 | 19.00% |
| 2018 | 1,320,506 | 1,320,506 | - | 6,950,031 | 19.00% |
| 2019 | 1,439,394 | 1,439,394 | - | 7,575,758 | 19.00% |
| 2020 | 1,485,233 | 1,485,233 | - | 7,817,016 | 19.00% |
| 2021 | 1,782,896 | 1,782,896 | - | 8,489,981 | 21.00% |

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

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2021

(1) Budgets 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 or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

(2) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized on 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. These assumptions include the rate of investment return, mortality of plan members, rate of salary increases, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Other Postemployment Benefits

- A. Benefit Changes – There were no changes of benefit terms.
- B. Changes of Assumptions –
 - a. The discount rate decreased from 2.45% at June 30, 2020 to 1.92% at June 30, 2021.
 - b. The mortality improvement scale was updated from Scale MP-2019 to Scale MP-2020.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2021

(4) Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, the following fund had actual expenditures over appropriations, at the functional level as follows:

| <u>Fund and Function</u> | <u>Budget</u> | <u>Actual</u> | <u>Excess</u> |
|--------------------------|---------------|---------------|---------------|
| General Fund: | | | |
| Materials and supplies | \$ 258,300 | \$ 262,070 | \$ (3,770) |
| Operating services | 1,278,000 | 1,305,193 | (27,193) |
| Auto and travel | 4,000 | 14,340 | (10,340) |

**OTHER
SUPPLEMENTARY INFORMATION**

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Comparative Statement of Net Position
June 30, 2021 and 2020

| | Governmental Activities | |
|---|-------------------------|-----------------|
| | 2021 | 2020 |
| ASSETS | | |
| Current assets: | | |
| Cash and interest-bearing deposits | \$ 17,213,286 | \$ 12,649,511 |
| Receivables, net | 114,789 | 634,647 |
| Total current assets | 17,328,075 | 13,284,158 |
| Noncurrent assets: | | |
| Capital assets, net | 1,195,652 | 1,356,035 |
| Total assets | 18,523,727 | 14,640,193 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources related to pension | 8,372,048 | 4,514,601 |
| Deferred outflows of resources related to postemployment benefit obligation | 12,931,511 | 13,752,440 |
| Total deferred outflows of resources | 21,303,559 | 18,267,041 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 345,394 | 358,630 |
| Accrued expenses | 24,191 | 24,345 |
| Accrued payroll liabilities | 453,016 | 594,682 |
| Accrued health insurance claims | 434,593 | 856,588 |
| Due to other governments | 213,480 | 194,200 |
| Total current liabilities | 1,470,674 | 2,028,445 |
| Noncurrent liabilities: | | |
| Compensated absences payable | 989,342 | 932,962 |
| Net OPEB obligation | 63,720,874 | 57,009,306 |
| Net pension liability | 18,962,482 | 14,098,313 |
| Total noncurrent liabilities | 83,672,698 | 72,040,581 |
| Total liabilities | 85,143,372 | 74,069,026 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources related to pension | 234,558 | 193,540 |
| NET POSITION | | |
| Net investment in capital assets | 1,195,652 | 1,356,035 |
| Unrestricted net position (deficit) | (46,746,296) | (42,711,367) |
| Total net position | \$ (45,550,644) | \$ (41,355,332) |

GENERAL FUND

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

EAST BATON ROUGE PARISH CLERK OF COURT
 Baton Rouge, Louisiana
 General Fund

Comparative Balance Sheet
 June 30, 2021 and 2020

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| ASSETS | | |
| Cash and interest-bearing deposits | \$ 17,213,286 | \$ 12,649,511 |
| Accounts receivable, net | 114,789 | 634,647 |
| Total assets | \$ 17,328,075 | \$ 13,284,158 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 345,394 | \$ 358,630 |
| Accrued expenses | 24,191 | 24,345 |
| Accrued payroll liabilities | 453,016 | 594,682 |
| Accrued health insurance claims | 434,593 | 856,588 |
| Due to other governments | 213,480 | 194,200 |
| Total liabilities | 1,470,674 | 2,028,445 |
| Fund balance: | | |
| Unassigned | 15,857,401 | 11,255,713 |
| Total liabilities and fund balance | \$ 17,328,075 | \$ 13,284,158 |

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 Actual |
|---|----------------------|----------------------|----------------------|---|----------------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Fees, charges and commissions for services: | | | | | |
| Recordings | \$ 6,825,000 | 6,825,000 | \$ 8,426,174 | \$ 1,601,174 | \$ 6,918,325 |
| Uniform Commercial Code fees | 220,000 | 220,000 | 270,960 | 50,960 | 219,520 |
| Cancellations | 670,000 | 670,000 | 1,060,110 | 390,110 | 707,395 |
| Mortgage certificates | 207,000 | 207,000 | 231,241 | 24,241 | 211,813 |
| Court attendance | 30,000 | 30,000 | 11,037 | (18,963) | 16,555 |
| Court minute fees | - | - | 44,352 | 44,352 | 74,780 |
| Photocopies | 1,357,000 | 1,357,000 | 1,484,623 | 127,623 | 1,367,448 |
| Fines and forfeitures | 214,000 | 214,000 | 306,902 | 92,902 | 289,866 |
| Suits and successions | 7,000,000 | 7,000,000 | 7,908,345 | 908,345 | 6,943,111 |
| Other fees | 387,400 | 387,400 | 509,648 | 122,248 | 421,685 |
| Intergovernmental | 106,400 | 106,400 | 310,877 | 204,477 | 180,847 |
| Licenses | 78,000 | 78,000 | 98,846 | 20,846 | 78,040 |
| Interest revenue | 204,000 | 204,000 | 182,051 | (21,949) | 424,788 |
| Total revenues | <u>17,298,800</u> | <u>17,298,800</u> | <u>20,845,166</u> | <u>3,546,366</u> | <u>17,854,173</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| General government: | | | | | |
| Personnel services and related benefits | 14,685,825 | 14,685,825 | 14,660,631 | 25,194 | 14,974,253 |
| Materials and supplies | 258,300 | 258,300 | 262,070 | (3,770) | 231,571 |
| Operating services | 1,278,000 | 1,278,000 | 1,305,193 | (27,193) | 1,284,163 |
| Auto and travel | 4,000 | 4,000 | 14,340 | (10,340) | 10,274 |
| Capital outlay | 750,000 | 750,000 | 1,244 | 748,756 | 607,946 |
| Total expenditures | <u>16,976,125</u> | <u>16,976,125</u> | <u>16,243,478</u> | <u>732,647</u> | <u>17,108,207</u> |
| Excess of revenues over expenditures | 322,675 | 322,675 | 4,601,688 | 4,279,013 | 745,966 |
| Fund balance, beginning of year | <u>11,255,713</u> | <u>11,255,713</u> | <u>11,255,713</u> | <u>-</u> | <u>10,509,747</u> |
| Fund balance, end of year | <u>\$ 11,578,388</u> | <u>\$ 11,578,388</u> | <u>\$ 15,857,401</u> | <u>\$ 4,279,013</u> | <u>\$ 11,255,713</u> |

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

| | 2021 | | Actual | Variance - Positive (Negative) | 2020 Actual |
|--|----------------------|----------------------|----------------------|--------------------------------------|----------------------|
| | Budget | | | | |
| | Original | Final | | | |
| Fees, charges, and commissions for services: | | | | | |
| Recordings | \$ 6,825,000 | \$ 6,825,000 | \$ 8,426,174 | \$ 1,601,174 | \$ 6,918,325 |
| Uniform Commercial Code fees | 220,000 | 220,000 | 270,960 | 50,960 | 219,520 |
| Cancellations | 670,000 | 670,000 | 1,060,110 | 390,110 | 707,395 |
| Mortgage certificates | 207,000 | 207,000 | 231,241 | 24,241 | 211,813 |
| Court attendance | 30,000 | 30,000 | 11,037 | (18,963) | 16,555 |
| Court minute fees | - | - | 44,352 | 44,352 | 74,780 |
| Photocopies | 1,357,000 | 1,357,000 | 1,484,623 | 127,623 | 1,367,448 |
| Fines and forfeitures | 214,000 | 214,000 | 306,902 | 92,902 | 289,866 |
| Suits and successions | 7,000,000 | 7,000,000 | 7,908,345 | 908,345 | 6,943,111 |
| Other fees: | | | | | |
| Passports | 80,000 | 80,000 | 82,766 | 2,766 | 76,487 |
| Extract of court minutes | 30,000 | 30,000 | 35,460 | 5,460 | 28,340 |
| Credit card fees | 71,000 | 71,000 | 79,297 | 8,297 | 71,382 |
| Portal fees | 174,000 | 174,000 | 202,548 | 28,548 | 179,533 |
| Miscellaneous | 32,400 | 32,400 | 109,577 | 77,177 | 65,943 |
| Total fees, charges, and commissions for services | <u>16,910,400</u> | <u>16,910,400</u> | <u>20,253,392</u> | <u>3,342,992</u> | <u>17,170,498</u> |
| Intergovernmental: | | | | | |
| Reimbursed election expenses | - | - | 236,770 | 236,770 | 94,236 |
| City/Parish budget allocation | <u>106,400</u> | <u>106,400</u> | <u>74,107</u> | <u>(32,293)</u> | <u>86,611</u> |
| Total intergovernmental | <u>106,400</u> | <u>106,400</u> | <u>310,877</u> | <u>204,477</u> | <u>180,847</u> |
| Licenses | <u>78,000</u> | <u>78,000</u> | <u>98,846</u> | <u>20,846</u> | <u>78,040</u> |
| Interest revenue | <u>204,000</u> | <u>204,000</u> | <u>182,051</u> | <u>(21,949)</u> | <u>424,788</u> |
| Total revenues | <u>\$ 17,298,800</u> | <u>\$ 17,298,800</u> | <u>\$ 20,845,166</u> | <u>\$ 3,546,366</u> | <u>\$ 17,854,173</u> |

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

| | 2021 | | | | |
|--|----------------------|----------------------|----------------------|--------------------------------------|----------------------|
| | Budget | | Actual | Variance - Positive (Negative) | 2020 Actual |
| | Original | Final | | | |
| Expenditures: | | | | | |
| Current - | | | | | |
| Personnel services | | | | | |
| and related benefits: | | | | | |
| Salaries | \$ 8,450,000 | \$ 8,450,000 | \$ 8,884,970 | \$ (434,970) | \$ 8,858,313 |
| Clerk's expense allowance | 16,000 | 16,000 | 15,979 | 21 | 15,979 |
| Clerk's auto allowance | 30,000 | 30,000 | 26,068 | 3,932 | 24,120 |
| Clerk's supplemental fund | 64,800 | 64,800 | 64,000 | 800 | 55,100 |
| Payroll taxes | 142,525 | 142,525 | 142,077 | 448 | 143,826 |
| Retirement | 2,398,500 | 2,398,500 | 2,441,125 | (42,625) | 2,000,252 |
| Group insurance | 3,550,000 | 3,550,000 | 3,073,463 | 476,537 | 3,839,113 |
| Worker's compensation | 31,000 | 31,000 | 13,143 | 17,857 | 35,480 |
| Unemployment | 3,000 | 3,000 | (194) | 3,194 | 2,070 |
| Total personnel services and related benefits | <u>14,685,825</u> | <u>14,685,825</u> | <u>14,660,631</u> | <u>25,194</u> | <u>14,974,253</u> |
| Materials and supplies: | | | | | |
| Printing and binding | 40,000 | 40,000 | 39,891 | 109 | 35,775 |
| Judges' supplies | 30,000 | 30,000 | 9,700 | 20,300 | 21,443 |
| Computer expenses | 74,300 | 74,300 | 57,458 | 16,842 | 49,700 |
| Office supplies | 108,000 | 108,000 | 111,208 | (3,208) | 118,754 |
| Repairs and maintenance | 6,000 | 6,000 | 43,813 | (37,813) | 5,899 |
| Total materials and supplies | <u>258,300</u> | <u>258,300</u> | <u>262,070</u> | <u>(3,770)</u> | <u>231,571</u> |
| Operating services: | | | | | |
| Accounting | 120,000 | 120,000 | 173,938 | (53,938) | 156,722 |
| Advertising | 2,000 | 2,000 | 18 | 1,982 | 908 |
| Archives and record retention | 134,000 | 134,000 | 130,548 | 3,452 | 133,838 |
| Computer software and services | 460,000 | 460,000 | 349,105 | 110,895 | 331,527 |
| Insurance | 80,000 | 80,000 | 21,654 | 58,346 | 127,686 |
| Legal | 145,000 | 145,000 | 168,250 | (23,250) | 138,325 |
| Postage | 120,000 | 120,000 | 173,941 | (53,941) | 134,947 |
| Telephone | 47,000 | 47,000 | 59,093 | (12,093) | 55,045 |
| Equipment rental and leases | 50,000 | 50,000 | 41,009 | 8,991 | 49,986 |
| Credit card fees | 35,000 | 35,000 | 82,136 | (47,136) | 61,733 |
| Miscellaneous | 85,000 | 85,000 | 105,501 | (20,501) | 93,446 |
| Total operating services | <u>1,278,000</u> | <u>1,278,000</u> | <u>1,305,193</u> | <u>(27,193)</u> | <u>1,284,163</u> |
| Auto and travel | 4,000 | 4,000 | 14,340 | (10,340) | 10,274 |
| Capital outlay - | | | | | |
| Computer equipment | 750,000 | 750,000 | 1,244 | 748,756 | 607,946 |
| Total expenditures | <u>\$ 16,976,125</u> | <u>\$ 16,976,125</u> | <u>\$ 16,243,478</u> | <u>\$ 732,647</u> | <u>\$ 17,108,207</u> |

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, Louisiana

Justice System Funding Schedule - Receiving Entity
Year Ended June 30, 2021

| | <u>First Six Month Period Ended 12/31/2020</u> | <u>Second Six Month Period Ended 6/30/2021</u> |
|---|--|--|
| Cash Basis Presentation | | |
| Receipts from: | | |
| Civil Fees | | |
| East Baton Rouge Parish Government | \$ 40,387 | \$ 35,448 |
| Criminal Fines (Other) - | | |
| East Baton Rouge Sheriff | 87,400 | 72,467 |
| Bond Fees | | |
| East Baton Rouge Parish Government | - | 7,810 |
| Interest Earnings on Collected Balances | <u>101,858</u> | <u>47,452</u> |
| Total Receipts | <u>\$ 229,645</u> | <u>\$ 163,177</u> |

EAST BATON ROUGE CLERK OF COURT

Baton Rouge, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity

Year Ended June 30, 2021

| | First Six Month Period Ended 12/31/2020 | Second Six Month Period Ended 6/30/2021 |
|---|--|--|
| Cash Basis Presentation | | |
| Beginning Balance of Amounts Collected | <u>\$ 28,208,094</u> | <u>\$ 28,589,388</u> |
| Add: Collections | | |
| Civil Fees | <u>12,517,962</u> | <u>12,313,863</u> |
| Subtotal Collections | <u>12,517,962</u> | <u>12,313,863</u> |
| Less: Disbursements to Governments and Nonprofits | | |
| Civil Fees - | | |
| Baton Rouge Bar Association | 17,038 | 17,789 |
| Capital City Press-EBR Parish | 1,703 | - |
| Commissioner of Insurance | 425 | 385 |
| EBR Parish Jury Fee | 14,154 | 17,147 |
| Family Court of EBR-Family Expense | 69,945 | 75,874 |
| First Circuit Court of Appeal | 15,908 | 21,965 |
| Judicial Expense Fund | 2,695,640 | 2,766,070 |
| Juvenile Expense Fund | 1,530 | 1,680 |
| LA Dept of Treasury-Unclaimed | 47,583 | 29,997 |
| LA Supreme Court-Civil Case | 3,902 | 4,545 |
| LA Supreme Court-Judicial College | 3,956 | 3,686 |
| LA State Treasurer | 196,702 | 200,422 |
| Secretary of State | 121,850 | 110,900 |
| State Treasury Office-Fiscal | 11,120 | 11,477 |
| Acadia Parish Sheriff | 347 | 625 |
| Allen Parish Sheriff | 126 | 203 |
| Ascension Parish Sheriff | 20,130 | 19,750 |
| Assumption Parish Sheriff | 514 | 370 |
| Avoyelles Parish Sheriff | 691 | 607 |
| Beauregard Parish Sheriff | 319 | 68 |
| Bienville Parish Sheriff | - | 134 |
| Bossier Parish Sheriff | 1,013 | 917 |
| Caddo Parish Sheriff | 3,250 | 2,650 |
| Calcasieu Parish Sheriff | 2,138 | 2,705 |
| Cameron Parish Sheriff | 63 | - |
| Catahoula Parish Sheriff | 52 | 92 |
| Claiborne Parish Sheriff | 30 | 60 |
| Concordia Parish Sheriff | 132 | 317 |

(continued)

EAST BATON ROUGE CLERK OF COURT

Baton Rouge, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity (Continued)

Year Ended June 30, 2021

| | First Six Month Period Ended 12/31/2020 | Second Six Month Period Ended 6/30/2021 |
|------------------------------------|--|--|
| Desoto Parish Sheriff | 169 | 6 |
| East Baton Rouge Parish Sheriff | 696,841 | 746,030 |
| East Carroll Parish Sheriff | 36 | 36 |
| East Feliciana Parish Sheriff | 2,599 | 1,508 |
| Evangeline Parish Sheriff | 420 | 278 |
| Franklin Parish Sheriff | 155 | 111 |
| Grant Parish Sheriff | 166 | 198 |
| Iberia Parish Sheriff | 953 | 612 |
| Iberville Parish Sheriff | 3,303 | 2,616 |
| Jackson Parish Sheriff | 91 | 154 |
| Jefferson Davis Parish Sheriff | 72 | 186 |
| Jefferson Parish Sheriff | 16,775 | 20,674 |
| Lafayette Parish Sheriff | 12,644 | 11,562 |
| Lafourche Parish Sheriff | 1,117 | 1,527 |
| Lasalle Parish Sheriff | - | 36 |
| Lincoln Parish Sheriff | 233 | 177 |
| Livingston Parish Sheriff | 17,274 | 17,209 |
| Madison Parish Sheriff | 63 | 60 |
| Morehouse Parish Sheriff | 30 | 30 |
| Natchitoches Parish Sheriff | 114 | 267 |
| Orleans Parish Sheriff | 18,536 | 27,513 |
| Ouachita Parish Sheriff | 1,955 | 938 |
| Plaquemines Parish Sheriff | 530 | 150 |
| Pointe Coupee Parish Sheriff | 1,965 | 2,308 |
| Rapides Parish Sheriff | 1,939 | 1,985 |
| Red River Parish Sheriff | 43 | 86 |
| Richland Parish Sheriff | 91 | 161 |
| Sabine Parish Sheriff | 78 | 43 |
| St Bernard Parish Sheriff | 786 | 930 |
| St Charles Parish Sheriff | 1,768 | 610 |
| St Helena Parish Sheriff | 848 | 1,240 |
| St James Parish Sheriff | 468 | 501 |
| St John The Baptist Parish Sheriff | 1,186 | 1,123 |
| St Landry Parish Sheriff | 1,613 | 1,151 |
| St Martin Parish Sheriff | 705 | 432 |
| St Mary Parish Sheriff | 415 | 488 |
| St Tammany Parish Sheriff | 15,648 | 17,438 |
| Tangipahoa Parish Sheriff | 9,925 | 10,873 |

(continued)

EAST BATON ROUGE CLERK OF COURT
Baton Rouge, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity (Continued)
Year Ended June 30, 2021

| | First Six Month Period Ended <u>12/31/2020</u> | Second Six Month Period Ended <u>6/30/2021</u> |
|--|---|---|
| Terrebonne Parish Sheriff | 2,139 | 2,750 |
| Union Parish Sheriff | 88 | 30 |
| Vermillion Parish Sheriff | 636 | 522 |
| Vernon Parish Sheriff | 69 | 368 |
| Washington Parish Sheriff | 778 | 886 |
| Webster Parish Sheriff | 210 | 235 |
| West Baton Rouge Parish Sheriff | 6,068 | 6,620 |
| West Feliciana Parish Sheriff | 1,699 | 1,412 |
| Winn Parish Sheriff | 34 | 36 |
| Less: Amounts Retained by Collecting Agency | | |
| Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount | 2,361,328 | 2,011,502 |
| Amounts "Self-Disbursed" to Collecting Agency | 4,270,507 | 3,637,839 |
| Less: Disbursements to Individuals/3rd Party Collection | | |
| Civil Fee Refunds | 1,117,093 | 951,598 |
| Other Disbursements to Individuals | <u>290,008</u> | <u>247,044</u> |
| Subtotal Disbursements/Retainage | <u>12,136,668</u> | <u>11,066,901</u> |
| Ending Balance of Amounts Collected but not Disbursed/Retained | <u>\$ 28,589,388</u> | <u>\$ 29,836,350</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 Doug Welborn
East Baton Rouge Parish Clerk of Court
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Clerk of Court as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the East Baton Rouge Parish Clerk of Court's basic financial statements and have issued our report thereon dated March 15, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2021-001 (IC) to be a material weakness.

Compliance and Other Matters

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

East Baton Rouge Parish Clerk of Court's Response to Findings

The East Baton Rouge Parish Clerk of Court's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The East Baton Rouge Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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
March 28, 2022

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

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

A. Internal Control Findings -

2021-001 Reconciliation of the Advanced Deposit Fund

Fiscal year finding initially occurred: 1980

CRITERIA: The Clerk should have a policy according to which all individual suit balances in the Clerk's Advanced Deposit Fund reconcile with the corresponding unsettled deposits liability.

CONDITION: The Clerk did not have adequate procedures in place to reconcile individual suit balances in the Clerk's Advanced Deposit Fund with the corresponding unsettled deposits liability.

CAUSE: Due to a lack of policies and procedures, monthly reconciliations are not being performed in the Advance Deposit Fund.

EFFECT: The Clerk has numerous errors when reconciling the individual suit balances in the Clerk's Advanced Deposit Fund with corresponding unsettled deposits liability.

RECOMMENDATION: The Clerk should establish policies and procedures to reconcile the individual suit balances in the Clerk's Advanced Deposit Fund with corresponding unsettled deposits liability.

MANAGEMENT'S CORRECTION ACTION PLAN: The Clerk's office implemented an accounting application to administer the Advanced Deposit Fund in 2006, which significantly improved the accounting measures used in the administration of the Advanced Deposit Fund. Additionally, the Clerk's office has continued to monitor the monthly deposits and disbursements during the year ended June 30, 2021.

B. Compliance Findings -

There are no findings to report under this section.

EAST BATON ROUGE PARISH CLERK OF COURT
Baton Rouge, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Part II. Prior Year Findings

A. Internal Control Findings -

2020-001 Reconciliation of the Advanced Deposit Fund

Fiscal year finding initially occurred: 1980

CONDITION: The Clerk did not have adequate procedures in place to reconcile individual suit balances in the Clerk's Advanced Deposit Fund with the corresponding unsettled deposits liability.

RECOMMENDATION: The Clerk should establish policies and procedures to reconcile the individual suit balances in the Clerk's Advanced Deposit Fund with corresponding unsettled deposits liability.

CURRENT STATUS: Unresolved. See finding 2021-001.

B. Compliance Findings -

There are no findings to report under this section.