

**ST. MARTIN PARISH CLERK OF COURT**

Financial Report

Year Ended June 30, 2023

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### INDEPENDENT AUDITORS' REPORT

The Honorable Rebecca Patin  
St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

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

##### *Opinions*

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

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

##### *Basis for Opinions*

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

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Martin Parish Clerk of Court's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in the clerk's total OPEB liability and related ratios, schedule of employer's share of net pension liability, schedule of employer contributions, and notes to the required supplementary information on pages 42 through 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information

in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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 the missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Martin Parish Clerk of Court's basic financial statements. The Justice System Funding Reporting Schedules (reporting schedules) were created by Act 87 of the Louisiana 2020 Regular Legislative Session. The reporting schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the reporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information for the General Fund revenues and expenditures but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2023, on our consideration of the St. Martin Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Martin Parish Clerk of Court's internal control over financial reporting and compliance.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
October 18, 2023

## **BASIC FINANCIAL STATEMENTS**

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

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 2,736,064
Cash and interest-bearing deposits-restricted-advance deposit	884,368
Receivables, net	76,749
Due from other governmental units	<u>1,850</u>
Total current assets	<u>3,699,031</u>
Noncurrent assets:	
Capital assets, net	<u>30,089</u>
Total assets	<u>3,729,120</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred amount on pension	1,203,953
Deferred amount on postemployment benefit plan	<u>156,200</u>
Total deferred outflows of resources	<u>1,360,153</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	12,638
Accrued salaries	19,133
Advance deposit payable	884,368
Compensated absences payable	21,924
Financed purchase liability	<u>1,500</u>
Total current liabilities	<u>939,563</u>
Noncurrent liabilities:	
Financed purchase liability	125
Compensated absences payable	168,439
Postemployment benefit obligation payable	1,673,322
Net pension liability	<u>2,732,280</u>
Total noncurrent liabilities	<u>4,574,166</u>
Total liabilities	<u>5,513,729</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amount on pension	24,836
Deferred amount on postemployment benefit plan	<u>1,493,216</u>
Total deferred inflows of resources	<u>1,518,052</u>
<b>NET POSITION</b>	
Net investment in capital assets	28,464
Unrestricted (deficit)	<u>(1,970,972)</u>
Total net position	<u>\$ (1,942,508)</u>

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

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

Statement of Activities  
For the Year Ended June 30, 2023

	Governmental Activities
Program expenses:	
General government:	
Personal services and related benefits	\$ 2,221,734
Operating services	397,153
Material and supplies	<u>104,650</u>
Total program expenses	<u>2,723,537</u>
Program revenues:	
Licenses and permits	4,950
Fines, charges, and commissions for services	2,585,473
Operating grants	<u>32,993</u>
Total program revenues	<u>2,623,416</u>
Net program expense	<u>(100,121)</u>
General revenues:	
Miscellaneous	26,482
Intergovernmental revenue	<u>136,460</u>
Total general revenues	<u>162,942</u>
Change in net position	62,821
Beginning net position	<u>(2,005,329)</u>
Ending net position	<u>\$ (1,942,508)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTION - MAJOR FUND**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund also accounts for advance deposits on suits filed by litigants which are accounted for on the computer system, as provided by Louisiana Revised Statute 13:842. The advances are refundable to the litigants after all costs have been paid.

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2023

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 1,954,932
Cash-restricted-advance deposit	318,174
Interest-bearing deposits	781,132
Interest-bearing deposits-restricted-advance deposit	566,194
Receivables:	
Accounts receivable	72,485
Due from other governmental agencies	1,850
Other receivables	1,744
Total assets	<u>\$ 3,696,511</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 12,638
Accrued salaries	19,133
Advance deposit payable	884,368
Total liabilities	<u>916,139</u>
Fund balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	2,780,372
Total fund balance	<u>2,780,372</u>
Total liabilities and fund balance	<u>\$ 3,696,511</u>

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

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

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

Total fund balance for the governmental fund at June 30, 2023		\$ 2,780,372
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consists of:		
Furniture, fixtures, and equipment, net of \$290,654 accumulated depreciation	\$ 27,590	
Copiers - financed purchase, net of \$3,501 accumulated depreciation	<u>2,499</u>	30,089
The deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds:		
Pension plan	1,203,953	
Postemployment benefit obligation	<u>156,200</u>	1,360,153
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. The debt is:		
Financed purchase liability	(1,625)	
Compensated absences payable	(190,363)	
Postemployment benefit obligation payable	(1,673,322)	
Net pension liability	<u>(2,732,280)</u>	(4,597,590)
The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds:		
Pension plan	(24,836)	
Postemployment benefit obligation	<u>(1,493,216)</u>	(1,518,052)
Recording fees, which are not measurable at year end and therefore are not available soon enough to pay for current period expenditures are not reported in the governmental funds.		<u>2,520</u>
Total net position of governmental activities at June 30, 2023		<u>\$ (1,942,508)</u>

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

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

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

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 4,950
Fees, charges and commissions -	
Court costs, fees and charges	294,452
Fees for recording legal documents	2,037,873
Fees for certified copies	130,504
Intergovernmental -	
State grants	32,993
Miscellaneous	<u>147,922</u>
Total revenues	<u>2,648,694</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	2,072,914
Operating services	382,185
Material and supplies	104,650
Debt service	1,500
Capital outlay	<u>21,989</u>
Total expenditures	<u>2,583,238</u>
Net change in fund balance	65,456
Fund balance, beginning	<u>2,714,916</u>
Fund balance, ending	<u>\$ 2,780,372</u>

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

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

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

Total net change in fund balance for the year ended June 30, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$	65,456
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 21,989	
Depreciation expense for the year ended June 30, 2023	<u>(12,020)</u>	9,969

Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price do not affect the statement of revenues, expenditures, and changes in fund balance. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated. (2,948)

Because some revenues are not measurable at year end, they are not considered available in the governmental funds:

Recording fees		1,204
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Expenses not requiring the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences payable	(18,306)	
Net change in post employment benefit obligation payable and related deferreds	148,772	
Net change in net pension liability and related deferreds	<u>(142,826)</u>	<u>(12,360)</u>

Principal payments on financed purchase are expenditures in the governmental funds but reduce the liability in the statement of net position.

Net change in financed purchase liability		<u>1,500</u>
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Total change in net position for the year ended June 30, 2023 per Statement of Activities	\$	<u>62,821</u>
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The accompanying notes are an integral part of the basic financial statements.

## **FUND DESCRIPTION - FIDUCIARY FUND**

### **CUSTODIAL FUND**

#### **Registry of Court Fund -**

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

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

Statement of Fiduciary Net Position  
Custodial Fund - Registry of the Court  
June 30, 2023

ASSETS	
Interest-bearing deposits	\$ 1,403,921
Accrued interest receivable	<u>16</u>
Total assets	<u>1,403,937</u>
LIABILITIES	
Accounts payable	<u>6,568</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 1,397,369</u>

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

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

Statement of Changes in Fiduciary Net Position  
Custodial Fund - Registry of the Court  
For the Year Ended June 30, 2023

Additions:	
Judgments	\$ 509,623
Interest	<u>4,267</u>
Total additions	<u>513,890</u>
Deductions:	
Payments of refunds to litigants	350,230
Payments of other	<u>3,268</u>
Total deductions	<u>353,498</u>
Net increase in net position	160,392
Net position, beginning	<u>1,236,977</u>
Net position, ending	<u>\$ 1,397,369</u>

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

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Martin 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 Statute 24:513 and to the industry audit guide, *Audits of State and Local Governments*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

As an independently elected official, the Clerk of Court is responsible for the operations of his/her office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the Parish Government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the Parish Government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of the last year of the term in office.

B. Basis of Presentation

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. The Fiduciary fund is not included in the GWFS. The Fiduciary fund is reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund *financial statement level*.

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

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise 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. It is used to account for and report all financial resources not accounted for and reported in another fund. 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. The General Fund also accounts for advance deposits on suits filed by litigants.

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Additionally, the Clerk of Court reports the following:

Fiduciary Fund -

The Fiduciary fund is used to report assets held in a trustee or custodial capacity for others and therefore are not available to support the Clerk of Court programs. The Clerk of Court has adopted GASBS No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position.

The Clerk of Court's fiduciary fund is presented in the fiduciary fund financial statements by type (custodial). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The individual custodial fund used by the Clerk of Court for the year ended June 30, 2023 is as follows:

Registry of Court Fund – accounts for funds 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. 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.

In the fund financial statements, the governmental fund utilizes the “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The 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.

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

When both restricted and unrestricted sources are available for use, it is the Clerk of Court's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court. Interest-bearing deposits are stated at cost, which approximates market.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

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

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures, and equipment	5-10 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### Compensated Absences

Employees of the Clerk of Court's office earn 10 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 10 days of sick leave each year. Vacation leave must be used in the year earned; unused vacation leave may be converted to sick leave at year end. Sick leave may be accumulated but is not paid upon termination unless the individual is disabled, deceased, or is approaching retirement. When an employee is approaching retirement, he/she may use accumulated sick leave towards his/her date of retirement. When using accumulated sick leave for this purpose, each accumulated day will be counted as one calendar day (for example: 90 days of accumulated sick leave is equal to 3 months toward the date of retirement). An employee may use a maximum of 90 days of accumulated sick leave and is paid by the Clerk's office for these days. Any days over the 90 days will be lost.

#### Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences payable, postemployment benefit obligation payable, financed purchase liability, and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures.

#### 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

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Notes to Basic Financial Statements (Continued)

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 capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance of the governmental fund is classified as follows:

*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.

*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.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Clerk of Court. The Clerk of Court is the highest level of decision-making authority for the St. Martin Parish Clerk of Court.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk of Court's policy, only the Clerk of Court may assign amounts for specific purposes.

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*Unassigned* – all other spendable amounts.

As of June 30, 2023, fund balances are composed of the following:

	<u>General Fund</u>
Nonspendable:	\$ -
Restricted:	-
Committed:	-
Assigned:	-
Unassigned:	<u>2,780,372</u>
Total fund balances	<u>\$ 2,780,372</u>

When an expenditure is incurred for 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 its commitment or assignment actions.

E. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the direct write-off method is not in conformity with generally accepted accounting principles (GAAP), the difference between the two methods is not material to the financial statements.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows 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.

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Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$5,024,353 of which \$1,403,921 is attributable to the fiduciary fund, which is not presented in the statement of net position.

Demand deposits	\$ 3,049,869
Time deposits	<u>1,974,484</u>
 Total	 <u>\$ 5,024,353</u>

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 the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. 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 pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2023 are secured as follows:

Bank balances	<u>\$ 5,471,669</u>
 At June 30, 2023 the deposits are secured as follows:	
Federal deposit insurance	\$ 1,674,247
Pledged securities	<u>3,797,422</u>
 Total	 <u>\$ 5,471,669</u>

Deposits in the amount of \$3,797,422 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 policy for custodial credit risk.

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Notes to Basic Financial Statements (Continued)

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2023 consisted of the following:

Louisiana Clerk of Court - Clerk's Supplemental Fund	\$ 1,850
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(4) Capital Assets

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

	Balance 07/01/22	Additions	Deletions	Balance 06/30/23
Assets being depreciated:				
Furniture, fixtures and equipment	\$ 298,589	\$ 21,989	\$ (2,334)	\$ 318,244
Copiers - financed purchase	14,423	-	(8,423)	6,000
Total	313,012	21,989	(10,757)	324,244
Less: accumulated depreciation				
Furniture, fixtures and equipment	282,168	10,820	(2,334)	290,654
Copiers - financed purchase	7,776	1,200	(5,475)	3,501
Total	289,944	12,020	(7,809)	294,155
Net capital assets	\$ 23,068	\$ 9,969	\$ (2,948)	\$ 30,089

Depreciation expense of \$12,020 was charged to the general government function.

(5) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the St. Martin Parish Clerk of Court for the year ended June 30, 2023. In the past, payments on long-term liabilities pertained to the Clerk of Court's governmental activities and were made by the general fund.

	Compensated Absences	Financed Purchase	Total
Long-term liabilities, July 1, 2022	\$ 172,057	\$ 3,125	\$ 175,182
Debt assumed	18,306	-	18,306
Debt retired	-	(1,500)	(1,500)
Long-term liabilities, June 30, 2023	\$ 190,363	\$ 1,625	\$ 191,988

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Notes to Basic Financial Statements (Continued)

Long-term debt at June 30, 2023 is comprised of the following:

\$6,000 financed purchase liability on Konica Minolta BizHub 458 Digital Copier, due in monthly installments of \$125; due from August 5, 2020 to July 5, 2024	\$ <u>1,625</u>
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The annual requirements to amortize all debt outstanding at June 30, 2023 are as follows:

Year Ending June 30		\$
2024	\$	1,500
2025		<u>125</u>
Total	\$	<u>1,625</u>

(6) Deferred Compensation Plan

Certain employees of the Clerk of Court participate in the Louisiana Public Employees *Deferred Compensation Plan* adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(7) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of general and auto liability, health care and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year nor have settlements exceeded coverage for the past three years.

(8) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the St. Martin Parish Courthouse Annex. The St. Martin Parish Government pays for the upkeep and maintenance of the courthouse annex. These expenditures are not reflected in the accompanying financial statements.

(9) Litigation

There is no litigation pending against the Clerk of Court at June 30, 2023.

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Notes to Basic Financial Statements (Continued)

(10) Post-Employment Health Care and Life Insurance Benefits

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

*Benefits provided:* The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 50% of retiree and 60% of dependent pre-Medicare health, Medicare Advantage, dental and vision insurance premiums. The plan also provides for payment of 50% of retiree life insurance premiums. Retirees with at least 20 years of service are eligible for payment of 100% of retiree and 60% of dependent premiums by the Clerk.

*Employees covered by benefit terms:* On January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	25
Total	37

**Total OPEB Liability**

The Clerk’s total OPEB liability of \$1,673,322 was measured as of June 30, 2023 and was determined by an actuarial valuation as of January 1, 2022.

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

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Notes to Basic Financial Statements (Continued)

Inflation:	2.40%
Salary Increases, including inflation:	3.25%
Discount Rate:	3.86%
Health Care Cost Trend Rates	
Medical:	-0.03% for 2022, 6.25% for 2023, decreasing 0.25% per year to an ultimate rate of 5.0% for 2028 and later years.
Medicare Advantage:	-11.63% for 2022, 4.25% for 2023, decreasing 0.25% per year to an ultimate rate of 3.0% for 2028 and later years. Includes 2% per year for aging.
Dental:	0.0% for 2022, 3.0% per year thereafter.
Vision:	-5.46% for 2022, 2.5% per year thereafter.
Retirees' Share of Benefit-Related Costs - Retirees with less than 20 years of service:	
Medical:	50% for retirees and 60% for dependents.
Medicare Advantage:	50% for retirees and 60% for dependents.
Dental:	50% for retirees and 60% for dependents.
Vision:	50% for retirees and 60% for dependents.
Basic Life Insurance:	50%
Retirees' Share of Benefit-Related Costs - Retirees with at least 20 years of service:	
Medical:	0% for retirees and 60% for dependents.
Medicare Advantage:	0% for retirees and 60% for dependents.
Dental:	0% for retirees and 60% for dependents.
Vision:	0% for retirees and 60% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the 6/30/2023 Fidelity General Obligation AA 20-Year Yield.

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

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

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

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Notes to Basic Financial Statements (Continued)

**Changes in Total OPEB Liability**

Balance at June 30, 2022	<u>\$ 1,814,870</u>
Changes for the year:	
Service cost	37,912
Interest	67,220
Differences between expected and actual experience	4,468
Changes in assumptions/inputs	(188,966)
Change in benefit terms	-
Benefit payments	(62,182)
Administrative expense	-
Net changes	<u>(141,548)</u>
Balance at June 30, 2023	<u>\$ 1,673,322</u>

*Sensitivity of the total OPEB liability to changes in the discount rate:* The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB Liability	\$ 1,904,394	\$ 1,673,322	\$ 1,425,055

*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	\$ 1,529,723	\$ 1,673,322	\$ 1,855,182

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

For the year ended June 30, 2023, the Clerk recognized an OPEB expense of \$(86,590). On June 30, 2023, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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Notes to Basic Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 15,094	\$ 687,254
Changes of assumptions and other inputs	141,106	805,962
Total	\$ 156,200	\$ 1,493,216

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

Year Ended	
June 30	
2024	\$ (191,723)
2025	(192,456)
2026	(195,112)
2027	(195,112)
2028	(195,112)
Thereafter	(367,501)
	\$ (1,337,016)

(11) Pension Plan / GASB 68

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

Summary of Significant Accounting Policies:

The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer pension schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred

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Notes to Basic Financial Statements (Continued)

inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The Louisiana Clerks' of Court Retirement and Relief Fund's employer pension schedules are prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed. Employer contributions are attributed to the employer for which the member is employed as of June 30, 2022.

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing, multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies, and other employees and the beneficiaries of such clerks of court, their deputies, and other employees.

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

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Notes to Basic Financial Statements (Continued)

Retirement Benefits:

A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 60 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3½% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability Benefits:

Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of forty percent of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521(C).

Survivor Benefits:

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced ¼ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid ½ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

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Notes to Basic Financial Statements (Continued)

Deferred Retirement Option Plan (DROP):

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to 36 months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the DROP account equal to the payments to the account or a true annuity based upon his account (subject to approval by the Board of Trustees). In addition, the member receives the monthly benefits that were paid into the DROP fund during his period of participation.

If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. The interest earnings are based on the actual rate of return on funds in such accounts. These interest accruals cease upon termination of employment.

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

Cost-of-Living Adjustments (COLAs):

The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired

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Notes to Basic Financial Statements (Continued)

prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, Louisiana statutes allow the Board to grant a cost-of-living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost-of-living amount which cannot exceed \$1.

Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2023, the actual employer contribution rate was 22.25%. The employer contributed \$271,822 during the fiscal year ending June 30, 2023.

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue in the amount of \$136,460 and excluded from pension expense for the year ended June 30, 2023.

Schedule of Employer Allocations:

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

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

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

At June 30, 2023, the Clerk of Court reported a liability of \$2,732,280 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Clerk of Court's proportion was 1.127288% which was an increase of 0.0465837% from its proportion measured as of June 30, 2021.

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Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2023, the Clerk of Court recognized pension expense of \$551,240 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$132.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 25,906	\$ 24,836
Changes of assumptions	200,504	-
Net difference between projected and actual earnings on pension plan investments	584,559	-
Change in proportion and differences between employer contributions and proportionate share of contributions	121,162	-
Employer contributions subsequent to the measurement date	271,822	-
Total	\$ 1,203,953	\$ 24,836

Deferred outflows of resources of \$271,822 related to pensions resulting from the Clerk of Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30		
2024	\$	303,488
2025		235,564
2026		70,527
2027		297,716
	\$	907,295

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.

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Notes to Basic Financial Statements (Continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.55%, net of investment expense
Projected Salary Increases	1 - 5 years of service - 6.2% 5 years or more - 5.0%
Inflation Rate	2.40%
Mortality Rates	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale.
Expected Remaining Service Lives	2022 - 5 years 2021 - 5 years 2020 - 5 years 2019 - 5 years 2018 - 5 years 2017 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2022 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, unless otherwise specified. In cases where benefit structures were 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 two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 6.02%, for the year ended June 30, 2022. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2022, is summarized in the following table:

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

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the employer's proportionate share of the net pension liability using the discount rate of 6.55%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.55% or one percentage point higher 7.55% than the current rate as of June 30, 2022:

	Changes in Discount Rate		
	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
Employer's proportionate share of the net pension liability	\$ 3,899,958	\$ 2,732,280	\$ 1,748,499

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2023, were recognized in the current reporting period as pension expense except as follows:

A. Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense (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 pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$25,906 and a deferred inflow of resources in the amount of \$24,836 for the year ended June 30, 2023.

B. Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$200,504 for the year ended June 30, 2023.

C. Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense (benefit) using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$584,559 for the year ended June 30, 2023.

D. Changes in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The changes in proportion resulted in a deferred outflow of resources in the amount of \$121,162 for the year ended June 30, 2023.

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Contributions – Proportionate Share:

Differences between contributions remitted to the Fund 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.

Retirement System Audit Report:

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2022. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

(12) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the St. Martin Parish Clerk of Court is required to disclose the compensation, reimbursements, benefits, and other payments made to the clerk, in which the payments are related to the position. The following is a schedule of payments made to the clerk for the year ended June 30, 2023:

Entity head: Rebecca Patin, Clerk of Court

Salary	\$ 163,309
Benefits-insurance	8,431
Benefits-retirement	49,810
Benefits-deferred compensation	11,663
Car allowance	23,904
Per diem	1,030
Election expense	2,400
Total	<u>\$ 260,547</u>

**REQUIRED  
SUPPLEMENTARY INFORMATION**

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

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

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 5,000	\$ 4,500	\$ 4,950	\$ 450
Fees, charges and commissions -				
Court costs, fees and charges	229,600	258,000	294,452	36,452
Fees for recording legal documents	2,081,000	2,054,000	2,037,873	(16,127)
Fees for certified copies	109,000	125,000	130,504	5,504
Intergovernmental -				
State grants	-	-	32,993	32,993
Miscellaneous	151,000	232,500	147,922	(84,578)
Total revenues	<u>2,575,600</u>	<u>2,674,000</u>	<u>2,648,694</u>	<u>(25,306)</u>
<b>Expenditures:</b>				
Current -				
General government:				
Personnel services and related benefits	1,970,903	2,061,653	2,072,914	(11,261)
Operating services	460,000	379,600	382,185	(2,585)
Material and supplies	140,000	108,150	104,650	3,500
Debt service	-	-	1,500	(1,500)
Capital outlay	-	-	21,989	(21,989)
Total expenditures	<u>2,570,903</u>	<u>2,549,403</u>	<u>2,583,238</u>	<u>(33,835)</u>
Net change in fund balance	4,697	124,597	65,456	(59,141)
Fund balance, beginning of year	<u>2,518,303</u>	<u>2,714,916</u>	<u>2,714,916</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,523,000</u>	<u>\$ 2,839,513</u>	<u>\$ 2,780,372</u>	<u>\$ (59,141)</u>

See notes to the required supplementary information.

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Schedule of Changes in the Clerk's Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2023

	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>						
Service Cost	\$ 37,958	\$ 37,005	\$ 20,934	\$ 58,446	\$ 40,892	\$ 37,912
Interest	79,508	69,294	102,391	69,286	56,995	67,220
Changes of benefit terms	-	1,050,600	-	-	-	-
Differences between expected and actual experience	5,137	(190,234)	17,314	(33,816)	(784,746)	4,468
Changes in assumptions or other inputs	-	208,825	(547,720)	122,162	(397,748)	(188,966)
Benefit payments	(91,781)	(116,496)	(87,503)	(59,905)	(56,220)	(62,182)
<b>Net change in total OPEB liability</b>	<u>30,822</u>	<u>1,058,994</u>	<u>(494,584)</u>	<u>156,173</u>	<u>(1,140,827)</u>	<u>(141,548)</u>
<b>Total OPEB liability - beginning</b>	<u>2,204,292</u>	<u>2,235,114</u>	<u>3,294,108</u>	<u>2,799,524</u>	<u>2,955,697</u>	<u>1,814,870</u>
<b>Total OPEB liability - ending</b>	<u>\$ 2,235,114</u>	<u>\$ 3,294,108</u>	<u>\$ 2,799,524</u>	<u>\$ 2,955,697</u>	<u>\$ 1,814,870</u>	<u>\$ 1,673,322</u>
Covered employee payroll	\$ 906,164	\$ 935,614	\$ 1,048,304	\$ 1,082,374	\$ 1,103,308	\$ 1,139,165
Total OPEB liability as a percentage of covered employee payroll	246.7%	352.1%	267.1%	273.1%	164.5%	146.9%

**Notes to Schedule:**

*Changes of Benefit Terms:*

Effective January 1, 2019, benefits are mandated for retirees with at least 20 years of service at retirement. Retirees pay 0% of the premium for retiree coverage and 60% of the dependent premium. For retirees with less than 20 years, retirees pay 50% of the retiree premium and 60% of the dependent premium.

*Changes of Assumptions:*

The following are the discount rates used in each period:

2018	3.62%
2019	3.13%
2020	2.45%
2021	1.92%
2022	3.69%
2023	3.86%

**Mortality Rates**

2018	RPH-2014 Employee & Healthy Annuity, Generational with MP-2018.
2019	PubG.H-2010 Employee & Healthy Retiree, Generational with MP-2018.
2020	PubG.H-2010 Employee & Healthy Retiree, Generational with MP-2019.
2021	PubG.H-2010 Employee & Healthy Retiree, Generational with MP-2020.
2022-2023	PubG.H-2010 Employee & Healthy Retiree, Generational with MP-2021.

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

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

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

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.989787%	\$ 1,335,086	\$ 876,771	152.27%	79.37%
2016	1.022974%	1,534,493	925,482	165.80%	78.13%
2017	1.008596%	1,865,877	922,057	202.36%	74.17%
2018	1.020862%	1,544,497	920,952	167.71%	79.69%
2019	0.977582%	1,626,013	907,667	179.14%	79.07%
2020	1.017167%	1,847,167	989,029	186.77%	77.93%
2021	1.051988%	2,530,941	1,043,099	242.64%	72.09%
2022	1.080705%	1,437,595	1,090,772	131.80%	85.40%
2023	1.127288%	2,732,280	1,154,086	236.75%	74.09%

\* 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.*

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

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

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 162,203	\$ 164,730	\$ (2,527)	\$ 925,482	17.80%
2016	175,842	175,902	(60)	922,057	19.08%
2017	174,912	174,982	(70)	920,952	19.00%
2018	175,071	172,457	2,614	907,667	19.00%
2019	172,491	187,916	(15,425)	989,029	19.00%
2020	188,037	198,189	(10,152)	1,043,099	19.00%
2021	198,396	229,062	(30,666)	1,090,772	21.00%
2022	229,295	256,784	(27,489)	1,154,086	22.25%
2023	256,859	271,822	(14,963)	1,221,672	22.25%

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

See notes to the required supplementary information.

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

(1) Budgetary and Budgetary Accounting

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

1. 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.
2. 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.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. 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.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted and as finally amended by the Clerk of Court.

(2) Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the following fund had actual expenditures over appropriations:

Fund	Final Budget	Actual	Excess
General Fund	\$ 2,549,403	\$ 2,583,238	\$ (33,835)

(3) Pension Plan

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

(4) Post Employment Health Insurance Plan

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate increased to 3.86% from 3.69% since the previous valuation.

**SUPPLEMENTARY INFORMATION**

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Schedule  
As Required by Act 87 of the 2020 Regular Legislative Session  
Cash Basis Presentation  
June 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 6/30/23
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	<b>\$ 943,876</b>	<b>\$ 786,475</b>
<b>Add: Collections</b>		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	1,118,103	1,103,634
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Other	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	221	176
<b>Subtotal Collections</b>	<b>\$ 1,118,324</b>	<b>\$ 1,103,810</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b> (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
St. Martin Parish Sheriff - Civil Fees	53,720	42,378
East Baton Rouge Sheriff - Civil Fees	12,887	13,627
St. Tammany Parish Sheriff - Civil Fees	-	412
Jefferson Parish Sheriff - Civil Fees	1,325	1,205
Lafayette Parish Sheriff - Civil Fees	15,260	16,578
Caddo Parish Sheriff - Civil Fees	-	51
Calcasieu Parish Sheriff - Civil Fees	625	331
Iberia Parish Sheriff - Civil Fees	1,973	3,076
Acadia Parish Sheriff - Civil Fees	564	660
Assumption Parish Sheriff - Civil Fees	231	252
Orleans Parish Sheriff - Civil Fees	1,080	1,801
St. Landry Parish Sheriff - Civil Fees	1,500	1,532
St. Mary Parish Sheriff - Civil Fees	522	937
Vermilion Parish Sheriff - Civil Fees	647	630
Terrebonne Parish Sheriff - Civil Fees	505	185
Lafourche Parish Sheriff - Civil Fees	-	80
Livingston Parish Sheriff - Civil Fees	250	384
Rapides Parish Sheriff - Civil Fees	222	256
Vernon Parish Sheriff - Civil Fees	-	145
Avoyelles Parish Sheriff - Civil Fees	-	51
Evangeline Parish Sheriff - Civil Fees	-	270
Tangipahoa Parish Sheriff - Civil Fees	-	105

(continued)

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Schedule  
As Required by Act 87 of the 2020 Regular Legislative Session  
Cash Basis Presentation  
June 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 6/30/23
<i>Bossier Parish Sheriff - Civil Fees</i>	-	49
<i>Concordia Parish Sheriff - Civil Fees</i>	-	58
<i>West Baton Rouge Parish Sheriff - Civil Fees</i>	-	84
<i>Jefferson Davis Parish Sheriff - Civil Fees</i>	-	73
<i>Sabine Parish Sheriff - Civil Fees</i>	-	65
<i>St. Charles Parish Sheriff - Civil Fees</i>	-	33
<i>Iberville Parish Sheriff - Civil Fees</i>	-	130
<i>Ouachita Parish Sheriff - Civil Fees</i>	-	105
<i>Ascension Parish Sheriff - Civil Fees</i>	161	120
<i>St. John the Baptist Parish - Civil Fees</i>	-	71
<i>Webster Parish Sheriff - Civil Fees</i>	32	-
<i>Cameron Parish Sheriff - Civil Fees</i>	-	83
<i>Washington Parish Sheriff - Civil Fees</i>	-	99
<i>East Feliciana Parish Sheriff - Civil Fees</i>	57	-
<i>Richland Parish Sheriff - Civil Fees</i>	-	30
<i>West Carroll Parish Sheriff - Civil Fees</i>	-	48
<i>Broward County Sheriff - Civil Fees</i>	-	50
<i>St. Martin Parish Government - Civil Fees</i>	25,276	18,677
<i>Judicial Expense Fund - Civil Fees</i>	19,976	23,785
<i>Louisiana Supreme Court - Civil Fees</i>	916	1,047
<i>Louisiana Division of Administration - Civil Fees</i>	-	15
<i>Louisiana Secretary of State - Civil Fees</i>	7,225	8,050
<i>Louisiana State Treasurer - Civil Fees</i>	13,390	15,917
<i>Louisiana Department of Treasury Unclaimed Property - Civil Fees</i>	15,529	54,494
<i>Louisiana 3rd Circuit Court of Appeals - Civil Fees</i>	1,348	2,363
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
St. Martin Parish Clerk of Court - Civil Fees	643,685	656,664
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Civil Fee Refunds	416,321	307,810
Bond Fee Refunds	-	-
Other Disbursements to Individuals (additional detail is not required)	38,171	33,960
Payments to 3rd Party Collection/Processing Agencies	2,327	3,168
<b>Subtotal Disbursements/Retainage</b>	<b>\$ 1,275,725</b>	<b>\$ 1,211,994</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>\$ 786,475</b>	<b>\$ 678,291</b>
<b>Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	\$ -	\$ -
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	\$ -	\$ -

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

Justice System Funding Schedule - Receiving Schedule  
As Required by Act 87 of the 2020 Regular Legislative Session  
Cash Basis Presentation  
June 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 6/30/23
<b>Receipts From:</b> <i>(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary. )</i>		
<i>St. Martin Parish Sheriff, Criminal Court Costs/Fees</i>	\$ 34,955	\$ 43,322
<i>St. Martin Parish Sheriff, Bond Fees</i>	672	910
<b>Subtotal Receipts</b>	<b>\$ 35,627</b>	<b>\$ 44,232</b>
<b>Ending Balance of Amounts Assessed but Not Received</b> <i>(only applies to those agencies that assess on behalf of themselves, such as courts)</i>	\$ -	\$ -

Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>

**OTHER INFORMATION**

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Licenses and permits:				
Marriage licenses	\$ 5,000	\$ 4,500	\$ 4,950	\$ 450
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	45,000	80,000	80,214	214
Qualifying fees	10,000	18,000	18,691	691
Police jury fees	35,000	24,000	35,380	11,380
UCC fees	20,000	15,000	16,181	1,181
Portal fees	48,000	46,000	47,489	1,489
Other	71,600	75,000	96,497	21,497
Total court costs, fees and charges	<u>229,600</u>	<u>258,000</u>	<u>294,452</u>	<u>36,452</u>
Fees for recording legal documents:				
Recordings	800,000	738,000	676,530	(61,470)
Cancellations	70,000	55,000	59,890	4,890
Mortgage certificates	11,000	11,000	11,352	352
Suits and successions	1,200,000	1,250,000	1,290,101	40,101
Total fees for recording legal documents	<u>2,081,000</u>	<u>2,054,000</u>	<u>2,037,873</u>	<u>(16,127)</u>
Certified copies	<u>109,000</u>	<u>125,000</u>	<u>130,504</u>	<u>5,504</u>
Intergovernmental:				
State grants	<u>-</u>	<u>-</u>	<u>32,993</u>	<u>32,993</u>
Miscellaneous:				
Interest earned	1,000	9,000	9,250	250
Online research and subscriptions	88,000	118,500	126,445	7,945
Other	62,000	105,000	12,227	(92,773)
Total miscellaneous	<u>151,000</u>	<u>232,500</u>	<u>147,922</u>	<u>(84,578)</u>
Total revenues	<u>\$2,575,600</u>	<u>\$2,674,000</u>	<u>\$2,648,694</u>	<u>\$ (25,306)</u>

St. Martin Parish Clerk of Court  
St. Martinville, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
General government:				
Personnel services and related benefits -				
Salaries:				
Clerk	\$ 122,672	\$ 123,372	\$ 122,771	\$ 601
Clerk's supplemental fund	24,600	25,000	25,700	(700)
Deputy clerks	965,000	1,030,000	1,033,904	(3,904)
Other	100,000	100,000	110,752	(10,752)
Clerk's expense allowance	14,727	14,877	14,837	40
Clerk's vehicle allowance	23,904	23,904	23,904	-
Group insurance	280,000	260,000	257,553	2,447
Pension and payroll taxes	387,000	404,500	403,516	984
Deferred compensation	53,000	80,000	79,977	23
Total personnel services and related benefits	<u>1,970,903</u>	<u>2,061,653</u>	<u>2,072,914</u>	<u>(11,261)</u>
Operating services -				
Professional fees	195,000	107,000	109,688	(2,688)
Insurance	32,500	18,000	17,785	215
Election expense allowance	3,500	3,000	2,940	60
Postage	27,500	29,500	29,199	301
Marriage license	3,500	6,000	5,977	23
Telephone	50,000	42,500	44,933	(2,433)
UCC fees	-	-	560	(560)
Travel	18,000	22,000	4,121	17,879
Filing fees	50,000	43,500	45,815	(2,315)
Repairs and maintenance	18,000	56,000	57,151	(1,151)
General refunds	7,000	6,600	5,874	726
Police jury fees	40,000	20,500	33,341	(12,841)
Records preservation expense	15,000	25,000	24,801	199
Total operating services	<u>460,000</u>	<u>379,600</u>	<u>382,185</u>	<u>(2,585)</u>
Materials and supplies -				
Office supplies and expense	135,000	102,150	98,730	3,420
Dues and subscriptions	5,000	6,000	5,920	80
Total materials and supplies	<u>140,000</u>	<u>108,150</u>	<u>104,650</u>	<u>3,500</u>
Debt service	-	-	1,500	(1,500)
Capital outlay	-	-	21,989	(21,989)
Total expenditures	<u>\$ 2,570,903</u>	<u>\$ 2,549,403</u>	<u>\$ 2,583,238</u>	<u>\$ (33,835)</u>

**INTERNAL CONTROL  
AND  
COMPLIANCE**

# Champagne & Company, LLC

## Certified Public Accountants

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### INDEPENDENT AUDITORS' 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 Rebecca Patin  
St. Martin Parish Clerk of Court  
St. Martinville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the St. Martin Parish Clerk of Court's basic financial statements and have issued our report thereon dated October 18, 2023.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Martin Parish Clerk of Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Martin 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 identified certain deficiencies in internal control, described in the accompanying schedule of prior and current year audit findings and management’s corrective action plan as items, 2023-001 and 2023-002, that we consider to be material weaknesses.

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

As part of obtaining reasonable assurance about whether the St. Martin 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 grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **St. Martin Parish Clerk of Court’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the St. Martin Parish Clerk of Court’s response to the findings identified in our audit and described in the accompanying schedule of prior and current year audit findings and management’s corrective action plan. The St. Martin Parish Clerk of Court’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
October 18, 2023

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

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

I. Prior Year Findings:

Internal Control Over Financial Reporting

2022-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred - Unknown

Finding:

Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 2023-001.

2022-002 – Inadequate Controls over Financial Statement Preparation; Year Initially Occurred - Unknown

Finding:

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

Status:

Unresolved. See item 2023-002.

Compliance

2022-003 – Noncompliance with R.S. 13:842 (Advance Costs); Year Initially Occurred – 2017

Finding:

The Clerk of Court did not refund advance deposits on suits that have been completely inactive for 5 years or more.

Status:

Resolved.

Management Letter Items

There were no items at June 30, 2022.

(continued)

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

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

II. Current Year Findings and Management Corrective Action Plan:

Internal Control Over Financial Reporting

2023-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred – Unknown

Condition and Criteria:

The Clerk of Court did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Clerk of Court.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Ms. Rebecca Patin, Clerk of Court, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2023-002 – Inadequate Controls over Financial Statement Preparation; Year Initially Occurred – Unknown

Condition and Criteria:

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

Effect:

This condition represents a material weakness in the internal control of the Clerk of Court.

(continued)

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

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

Cause:

The condition resulted because Clerk of Court personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Clerk of Court should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Ms. Rebecca Patin, Clerk of Court, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2023-003 – Misappropriation of Funds; Year Initially Occurred – 2023

Condition and Criteria:

An employee of the Clerk of Court allegedly misappropriated funds from the recording department. A check received for recording fees was altered from \$110 to \$5,110, and the payee's name was allegedly altered by the employee, in her name.

Effect:

This condition represents a material weakness in the internal control of the Clerk of Court.

Cause:

The condition resulted because the receipt of mail that is addressed to the Clerk of Court's physical address was received at the recording department's window and was not restricted to limited staff.

Recommendation:

The Clerk of Court needs to strengthen and/or add controls over the funds collected.

(continued)

**ST. MARTIN PARISH CLERK OF COURT**  
**St. Martinville, Louisiana**

**Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan (continued)**  
**For the Year Ended June 30, 2023**

**Management's Corrective Action Plan**

The Clerk of Court will restrict the acceptance of mail at the front window to supervisors only, in order to reduce access to these funds.

See additional information below as it relates to this finding.

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	It is alleged that a check was altered from \$110 to \$5,110 and the payee's name was changed to an employee of the agency
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Recording fees
3	The amount of funds or approximate value of assets involved.	\$5,110
4	The department or office in which the fraud or misappropriation occurred.	Recording department
5	The period of time over which the fraud or misappropriation occurred.	The check was altered around 12/8/22 (date of check); the Agency did not discover this until January 2023, when the customer who wrote the check questioned the status of their recording.
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Deputy Clerk
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	N/A
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A

(continued)

ST. MARTIN PARISH CLERK OF COURT  
St. Martinville, Louisiana

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

#	ELEMENT OF FINDING	RESPONSE
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes
11	What is the status of the investigation at the date of the auditor's/accountant's report?	Local Sheriff made arrest and turned investigation over to the District Attorney's office. The investigation is still ongoing with the District Attorney's office.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	The investigation has been completed by the local sheriff and the matter has been turned over to the District Attorney's office. The Agency does not intend to file charges as they have received all funds owed to them. The customer who issued the check that was altered sent an additional check for \$110 to cover their recording fee, so the Clerk of Court has been paid in full.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	N/A—still pending with the District Attorney's office.
14	Has restitution been made or has an insurance claim been filed?	No and restitution is not being sought, as the Agency has received all funds owed to them.
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	The Louisiana Legislative Auditor and the District Attorney were notified in writing.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	No
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	Material weakness in Internal Control. Mail that is addressed to the Clerk of Court's physical address is currently received at the recording department window, and access to this mail is not limited.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	See management's corrective action plan noted on page 60.

Compliance

There are no findings reported at June 30, 2023.

Management Letter Items

There are no items reported at June 30, 2023.

**ST. MARTIN PARISH  
CLERK OF COURT  
St. Martinville, Louisiana**

**Statewide Agreed-Upon Procedures Report**

**Year Ended June 30, 2023**

# Champagne & Company, LLC

Certified Public Accountants

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of St. Martin Clerk of Court and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

### 1) *Written Policies and Procedures*

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

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

*No exceptions noted.*

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

*Written policies and procedures were obtained and do not address how vendors are added to the vendor list.*

- iii. **Disbursements**, including processing, reviewing, and approving.  
*No exceptions noted.*
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
*No exceptions noted.*
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.  
*No exceptions noted.*
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
*No exceptions noted.*
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
*No exceptions noted.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
*No exceptions noted.*
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.  
*No exceptions noted.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*Written policies and procedures do not address the items noted above. The Clerk does not have debt, nor do they anticipate issuing debt. This is not considered an exception.*
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.  
*No exceptions noted.*
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.  
*Written policies and procedures do not address the functions noted above.*

## 2) **Board or Finance Committee**

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*The St. Marin Parish Clerk of Court's office is not required to maintain minutes; therefore, these steps are not applicable.*

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

## 3) **Bank Reconciliations**

---

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

*Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 4 additional accounts for one random month during the period.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);  
*One of the five accounts tested did not have a bank reconciliation prepared within 2 months of the related statement closing date.*
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
*One of the five accounts tested did not have a bank reconciliation prepared; therefore, there was no written evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation.*
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Two of the five accounts tested did not reflect research on reconciling items that have been outstanding for more than 12 months from the statement closing date.*

#### 4) Collections (excluding electronic funds transfers)

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

*Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.*

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

*Obtained a listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.*

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

*Employees responsible for collecting cash do share cash drawers.*

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

*In one location, the employee responsible for collecting cash is also responsible for preparing/making the bank deposit and another employee does not reconcile collection documentation to the deposit.*

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

- i. Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*One of the deposits was not made within one business day of receipt at the collection location.*

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

*No exceptions noted.*

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

---

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

*Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

*Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties.*

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

*No exceptions noted.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exceptions noted.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

*No exceptions noted.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*No exceptions noted.*

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearing house (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*No exceptions noted.*

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

*Obtained the entity's non-payroll disbursement transaction population and management's representation that the population is complete.*

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

*No exceptions noted.*

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

*No exceptions noted.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exceptions noted.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

---

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

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

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

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

*No exceptions noted.*

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

*No exceptions noted.*

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Four of the ten transactions tested did not have written documentation of the business/public purpose. One of the transactions tested did not have documentation of the individuals participating in the meal.*

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

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

*Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete.*

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));  
*No exceptions noted.*
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;  
*Travel expenses were reimbursed using a per diem; therefore, this step is not applicable.*
- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and  
*No exceptions noted.*
- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
*No exceptions noted.*

### 8) Contracts

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

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

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

*Contracts were not subject to Louisiana Public Bid Law, therefore this step was not applicable.*

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

*No exceptions noted.*

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

*There were no amendments to the contracts tested, therefore this step was not applicable.*

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

*No exceptions noted.*

## **9) Payroll and Personnel**

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

*Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Salaries/pay rates are not maintained in personnel files.*

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

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

*Of the five employees tested, none had their daily attendance documented.*

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

*Employees had documentation of supervisor's approval for leave but did not have approval for attendance.*

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

*No exceptions noted.*

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

*Salaries/pay rates are not maintained in the personnel file.*

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or

officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or officials' cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

*No exceptions noted in regards to the hours paid; however, salaries/pay rates are not maintained in personnel files, therefore, pay rate upon termination could not be traced to the pay rate in the personnel file.*

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

*No exceptions noted.*

### ***10) Ethics***

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

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

*No exceptions noted.*

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

*St. Martin Parish Clerk of Court did not make changes to the ethics policy during the fiscal period therefore, this step was not applicable.*

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

*No exceptions noted.*

### ***11) Debt Service***

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

*St. Martin Parish Clerk of Court did not issue debt during the fiscal period; therefore, this test was not applicable.*

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

*St. Martin Parish Clerk of Court does not have debt; therefore, this test was not applicable.*

## 12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*No exceptions noted.*

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

*No exceptions noted.*

## 13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

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

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

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

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

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

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

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

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

## 14) Prevention of Sexual Harassment

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*Obtained St. Martin Parish Clerk of Court's annual sexual harassment report for the current fiscal period, noting the report was dated prior to February 1<sup>st</sup>.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

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

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

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
October 18, 2023

ST. MARTIN PARISH CLERK OF COURT

St. Martinville, Louisiana

Management's Response to Statewide Agreed-upon Procedures

For the Year Ended June 30, 2023

Management's Response to Items:

- 1Aii., 1Axii. Exceptions relate to written policies and procedures lacking specific criteria required by LLA. Management will update the written policies and procedures to address all missing criteria.
- 3Ai., 3Aii., 3Aiii. Exceptions relate to one bank reconciliation not being prepared; therefore, there was no evidence that the reconciliation was prepared within two months of related statement closing date nor evidence that it was reviewed by a member of management who does not handle cash, post ledgers, or issue checks. In addition, there were two exceptions in which reconciliations lacked documentation reflecting research for outstanding items greater than 12 months. Management will ensure that a reconciliation is prepared, which will include documentation of preparation date as well as approval. Management will also ensure that outstanding items greater than 12 months have documentation for research of the items.
- 4Bi., 4Bii. Exceptions relate to segregation of duties within applicable areas tested. Efforts will be made to segregate duties within these areas as much as possible with the limited number of employees involved.
- 4D iv. Exception relates to a deposit not being made within one business day of receipt. This particular deposit was for qualifying fees, which happen over a 3-day period, therefore not deposited until the qualifying period ended. Efforts will be made to deposit funds within one business day of receipt.
- 6C. Exception relates to there being no documentation of business/public purpose for four transactions and of individuals that participated in meals for one transaction. Management will ensure that business/public purpose is documented for all transactions, and the individuals participating in meals will be documented.
- 9A., 9Bi., 9Bii., 9Biv., 9C. Exceptions relate to authorized salary/pay rates not being maintained in personnel files, as well as lack of documentation for daily attendance of salaried individuals. Management will maintain salaries/pay rates in personnel files and will require documentation for daily attendance for all employees.