

R E P O R T

LOUISIANA CLERKS' REMOTE
ACCESS AUTHORITY
BATON ROUGE, LOUISIANA

JUNE 30, 2024 AND 2023

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
BATON ROUGE, LOUISIANA

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JUNE 30, 2024 AND 2023

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October 24, 2024

Board of Commissioners of the Louisiana Clerks'
Remote Access Authority
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Louisiana Clerks' Remote Access Authority as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Louisiana Clerks' Remote Access Authority's basic financial statements as listed in the index to the report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Clerks' Remote Access Authority as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Clerks' Remote Access Authority, 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.

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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 Louisiana Clerks' Remote Access Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Clerks' Remote Access Authority'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 Louisiana Clerks' Remote Access Authority'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 management's discussion and analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Louisiana Clerks' Remote Access Authority's basic financial statements. The supplementary information as listed in the index to report is presented for purposes of additional analysis and is 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of the Louisiana Clerks' Remote Access Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Clerks' Remote Access Authority's internal control over financial reporting and compliance.

Duplantier, Sharpness, Hogan and Skater, LLP

New Orleans, Louisiana

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

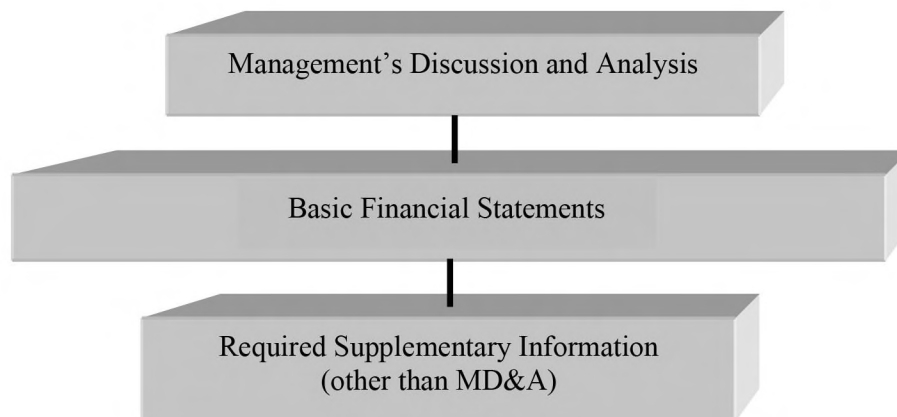
The Louisiana Clerks' Remote Access Authority (LCRAA) was created in June 2014 by Louisiana Revised Statute 13:754 to provide a state-wide portal for secure remote access by internet users to ascertain records maintained by LCRAA members and to provide for document preservation.

The Management's Discussion and Analysis of LCRAA's financial performance presents a narrative overview and analysis of LCRAA's financial activities for the fiscal years ended June 30, 2024 and 2023. This document focuses on the current year's activities. Please read this document in conjunction with the additional information contained in LCRAA's financial statements which begin on page 8.

FINANCIAL HIGHLIGHTS

- LCRAA's net position increased \$559,689, or 7.4% over the prior year.
- Fee receipts increased \$87,560, or 5.8%, due to an increase in filings during the fiscal year ended June 30, 2024.
- Operating expenses increased \$82,937, or 9.4%, primarily due to an increase in amortization expense on software that was capitalized during the current year along with an increase in Case Management Software Implementation during the current year.
- Grant awards paid were \$426,767 for the year ended June 30, 2024 as compared to \$478,074 for the year ended June 30, 2023.

The following graphic illustrates the minimum requirements for special purpose governments engaged in business type activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.



These financial statements consist of two sections - Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Basic Financial Statements

The basic financial statements present information for LCRAA as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the statement net position, statement of revenues, expenses, and changes in net position and statement of cash flows. The *financial statements* are designed to provide readers with a broad overview of LCRAA's finances, in a manner similar to private-sector business.

The Statements of Net Position presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of LCRAA is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position presents information showing LCRAA's net position as a result of current period operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Cash Flows presents information showing how LCRAA's cash changed as a result of current period operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS

Condensed Statements of Net Position
June 30, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ASSETS:			
Current assets	\$ 7,254,434	\$ 6,658,598	\$ 6,066,903
Capital assets, net	932,721	965,488	1,178,363
Total assets	<u>\$ 8,187,155</u>	<u>\$ 7,624,086</u>	<u>\$ 7,245,266</u>
LIABILITIES:			
Current liabilities	\$ 40,125	\$ 36,745	\$ 33,440
Total liabilities	<u>40,125</u>	<u>36,745</u>	<u>33,440</u>
NET POSITION:			
Invested in capital assets	932,721	965,488	1,178,363
Unrestricted	7,214,309	6,621,853	6,033,463
Total net position	<u>8,147,030</u>	<u>7,587,341</u>	<u>7,211,826</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 8,187,155</u>	<u>\$ 7,624,086</u>	<u>\$ 7,245,266</u>

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

FINANCIAL ANALYSIS (Continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 1,583,897	\$ 1,496,337	\$ 2,027,955
Operating expenses	<u>961,528</u>	<u>878,591</u>	<u>667,473</u>
Net operating income	<u>622,369</u>	<u>617,746</u>	<u>1,360,482</u>
Non-operating revenues (expense)- net	<u>(62,680)</u>	<u>(242,231)</u>	<u>(394,247)</u>
Change in net position	559,689	375,515	966,235
Net Position, beginning of year	<u>7,587,341</u>	<u>7,211,826</u>	<u>6,245,591</u>
Net position, end of year	<u>\$ 8,147,030</u>	<u>\$ 7,587,341</u>	<u>\$ 7,211,826</u>

Capital Assets

Net capital assets decreased by \$32,767 or 3.4%, in 2024 as compared to 2023. The net decrease is mainly a result of decreased investment in the development of new software for recordings in clerks' offices and an increase in current year amortization. LCRAA invested \$30,000 for the development of new software for recordings in clerks' offices for the year ended June 30, 2024. LCRAA also invested an additional \$268,363 in the state-wide portal for the year ended June 30, 2024. Of that \$268,363 for portal design investments, \$51,000 was software development in process from the year ended June 30, 2023 which was capitalized during the year ended June 30, 2024. Current year amortization in the amount of \$280,130 also affected net capital assets.

Net capital assets decreased by \$212,875 or 18% in 2023 as compared to 2022. The net decrease is mainly a result of decreased investment in the development of new software for recordings in clerks' offices and current year amortization. LCRAA invested in the project an additional \$51,000 for the year ended June 30, 2023 as compared to \$130,000 for the year ended June 30, 2022. Amortization in the amount of \$263,875 also affected net capital assets.

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

LCRAA expects that next year's results will be based on the following:

- Revenues should remain fairly constant.
- Portal costs should increase due to the continuation of several large projects during next fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Louisiana Clerks' Remote Access Authority's finances and to show the Louisiana Clerks' Remote Access Authority's accountability for the money it receives. If you have questions about this report or need additional information, contact Debbie Hudnall at (225) 293-1162 or www.laclerksportal.org.

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
 STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 7,094,610	\$ 6,492,598
Accounts receivable	159,824	166,000
Total Current Assets	7,254,434	6,658,598
Noncurrent assets:		
Capital assets, net	932,721	965,488
Total Noncurrent Assets	932,721	965,488
TOTAL ASSETS	\$ 8,187,155	\$ 7,624,086
LIABILITIES:		
Current liabilities		
Accounts payable	\$ 40,125	\$ 36,745
Total Current Liabilities	40,125	36,745
NET POSITION:		
Net investment in capital assets	932,721	965,488
Unrestricted	7,214,309	6,621,853
Total Net Position	8,147,030	7,587,341
TOTAL LIABILITIES AND NET POSITION	\$ 8,187,155	\$ 7,624,086

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

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
 STATEMENTS OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES:		
Fee receipts from members	\$ 1,583,897	\$ 1,496,337
Total Operating Revenues	<u>1,583,897</u>	<u>1,496,337</u>
OPERATING EXPENSES:		
Amortization	280,130	263,875
Audit	8,500	7,700
Bank fees	5,383	2,307
Insurance	4,861	729
Legal expenses	4,963	5,988
Meetings	1,364	1,564
Portal maintenance and connectivity	264,774	297,144
Portal hosting fee	100,491	99,804
Case management software implementation	138,750	59,500
Printing	2,802	2,750
Promotional expense	5,510	5,230
Rent	12,000	12,000
Reimbursement to affiliate for administrative expenses	132,000	120,000
Total Operating Expenses	<u>961,528</u>	<u>878,591</u>
NET OPERATING INCOME	<u>622,369</u>	<u>617,746</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	364,087	235,843
Grant awards	(426,767)	(478,074)
Total Non-Operating Revenues (Expenses)	<u>(62,680)</u>	<u>(242,231)</u>
Change in Net Position	559,689	375,515
Net Position, Beginning of Year	<u>7,587,341</u>	<u>7,211,826</u>
NET POSITION, END OF YEAR	<u>\$ 8,147,030</u>	<u>\$ 7,587,341</u>

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

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Fee receipts from members	\$ 1,590,073	\$ 1,510,695
Payments to suppliers for services	(528,636)	(477,104)
Payments to affiliate for administrative services	(132,000)	(120,000)
Other payments	(17,383)	(14,307)
Net Cash Provided by Operating Activities	<u>912,054</u>	<u>899,284</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grant awards	(426,767)	(478,074)
Net Cash Used by Noncapital Financing Activities	<u>(426,767)</u>	<u>(478,074)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to capital assets	(247,362)	(51,000)
Net Cash Used by Capital and Related Financing Activities	<u>(247,362)</u>	<u>(51,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	364,087	235,843
Net Cash Provided by Investing Activities	<u>364,087</u>	<u>235,843</u>
Net Increase in Cash and Cash Equivalents	602,012	606,053
Cash and Cash Equivalents, Beginning of Year	<u>6,492,598</u>	<u>5,886,545</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 7,094,610</u></u>	<u><u>\$ 6,492,598</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net operating income	\$ 622,369	\$ 617,746
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in accounts receivable	6,175	14,358
Increase in accounts payable	3,380	3,305
Amortization expense	280,130	263,875
Total adjustments	<u>289,685</u>	<u>281,538</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 912,054</u></u>	<u><u>\$ 899,284</u></u>

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

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

The Louisiana Clerks' Remote Access Authority (LCRAA) was established during June 2014 by Louisiana Revised Statute 13:754 to provide for infrastructure, governance, standard operating procedures, technology, and training to support a state-wide portal for secure remote access by internet users to certain records maintained by LCRAA members and to provide for document preservation. LCRAA's Board of Commissioners is composed of seven members. Five commissioners are elected by the LCRAA membership and serve two-year terms. One commissioner is designated by the Louisiana Bankers Association and one commissioner is designated by the Louisiana Land Title Association or the Louisiana Association of Independent Land Title Agents. The commissioners designated by associations serve one-year terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial Reporting Entity:

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no component units which are required to be included in LCRAA's financial statements.

The accompanying financial statements of LCRAA present information only as to the transactions of the programs of LCRAA as authorized by Louisiana statutes and administrative regulations.

Basis of Presentation:

The accompanying financial statements of LCRAA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental proprietary funds. Proprietary funds are used to account for governmental activities that are similar to what is found in the private sector. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In addition, these financial statements include the provisions of GASB Statement Number 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, and related standards.

Measurement Focus and Basis of Accounting:

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

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents include amounts in interest bearing demand deposits and money market-like investment pools.

State law allows investments in direct United States Treasury obligations, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. Government; time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic U.S. corporations. In addition, LCRAA may invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana. It is LCRAA's policy to invest in LAMP.

Accounts Receivable:

Accounts receivable are comprised of user fees due from members. No allowance is provided for receivables from member Clerks of Court because, in the opinion of management, all such accounts are collectible.

Capital Assets:

Equipment and computer software are recorded at cost. Equipment with a cost of \$1,000 or more and an estimated life in excess of one year are depreciated over their estimated useful lives using the straight-line method. Computer software developed or modified internally (reported as intangible asset) with a cost of \$1,000 or more and an estimated life in excess of one year is amortized over five years using the straight-line method. The costs of normal maintenance and repairs that do not add value to the asset or extend asset lives are not capitalized.

Revenue and Expenses:

Operating revenue consists of user fees charged to members to administer and maintain the state-wide portal. LCRAA collects a user fee from each member Clerk's office based on the number of documents recorded by the Clerk of Court. All expenses incurred for the purpose of administering and maintaining the state-wide portal are classified as operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates:

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

Net Position:

The statement of net position reports net position as the difference between all other elements in a statement of net position and is displayed in the three following components:

- Net investment in capital assets - consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - consists of amounts with constraints placed on the use 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.
- Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Restricted Resources:

When both restricted and unrestricted resources are available for use, it is LCRAA's policy to use the restricted resources first, then unrestricted resources as needed.

New Accounting Standard:

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (with underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. The statement established uniform accounting and financial reporting requirements for SBITAs; improved the comparability of government's financial statements; and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. LCRAA has analyzed the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), and has concluded that there are no material contracts which qualify for adjustment or disclosure under the new statement. Therefore, no restatement of prior periods or cumulative effect adjustment recorded in the year of adoption, was considered necessary.

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Standard: (Continued)

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This Statement outlines a single model for lease accounting and the related underlying asset. Under this statement, a lessee is required to recognize as a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities. LCRAA has analyzed the provisions of GASB Statement No. 87, *Leases*, and has concluded that there are no material leasing arrangements which qualify for adjustment or disclosure under the new statement. Therefore, no restatement of prior periods or cumulative effect adjustments recorded in the year of adoption, were considered necessary.

2. CASH AND CASH EQUIVALENTS:

At June 30, 2024 and 2023, LCRAA had the following cash and cash equivalents:

	<u>2024</u>	<u>2023</u>
Cash deposits	\$ 69,397	\$ 54,253
Cash equivalents - LAMP	7,025,213	6,438,345
Total cash and cash equivalents	<u>\$ 7,094,610</u>	<u>\$ 6,492,598</u>

Custodial credit risk is the risk that, in the event of bank failure, LCRAA's deposits might not be recovered. At June 30, 2024 and 2023, LCRAA had \$69,397 and \$77,573 in interest bearing bank accounts (collective bank balances), respectively. Under state law, deposits within a bank must be secured by federal deposit insurance or the pledged securities in joint custody. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. All deposits were fully secured through FDIC insurance.

LAMP is a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is a money market-like investment pool. The following facts are relevant for money market-like investments pools:

- Credit risk: Lamp is rated AAAM by Standard & Poor's.

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. CASH AND CASH EQUIVALENTS: (Continued)

- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
- Interest rate risk: Money market-like investment pools are excluded from this disclosure requirement, per paragraph 15 of GASB Statement No. 40.
- Foreign currency risk: Not applicable to money market-like pools.

Louisiana Asset Management Pool, Inc. (LAMP):

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 361 days. LAMP is designed to be highly-liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company. The LAMP administrative office can be reached at 800-249-5267 for any questions.

3. CAPITAL ASSETS:

The following is a summary of LCRAA's capital assets less accumulated amortization:

<u>June 30, 2024</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-amortizable asset:				
Software under development	\$ 51,000	\$ -	\$ (51,000)	\$ -
Total non-amortizable asset	<u>51,000</u>	<u>-</u>	<u>(51,000)</u>	<u>-</u>
Intangible asset:				
State-wide portal	557,972	268,363	-	826,335
Recording software	1,081,454	30,000	-	1,111,454
Total intangible asset	<u>1,639,426</u>	<u>298,363</u>	<u>-</u>	<u>1,937,789</u>
Total capital assets	<u>1,690,426</u>	<u>298,363</u>	<u>(51,000)</u>	<u>1,937,789</u>
Accumulated amortization:				
State-wide portal	(490,623)	(61,839)	-	(552,462)
Recording software	(234,315)	(218,291)	-	(452,606)
Total amortization	<u>(724,938)</u>	<u>(280,130)</u>	<u>-</u>	<u>(1,005,068)</u>
Amortizable asset, net	<u>914,488</u>	<u>18,233</u>	<u>-</u>	<u>932,721</u>
Capital assets, net	<u>\$ 965,488</u>	<u>\$ 18,233</u>	<u>\$ (51,000)</u>	<u>\$ 932,721</u>

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

3. CAPITAL ASSETS: (Continued)

<u>June 30, 2023</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-amortizable asset:				
Software under development	\$ -	\$ 51,000	\$ -	\$ 51,000
Total non-amortizable asset	<u>-</u>	<u>51,000</u>	<u>-</u>	<u>51,000</u>
Intangible asset:				
State-wide portal	557,972	-	-	557,972
Recording software	1,081,454	-	-	1,081,454
Total intangible asset	<u>1,639,426</u>	<u>-</u>	<u>-</u>	<u>1,639,426</u>
Total capital assets	<u>1,639,426</u>	<u>51,000</u>	<u>-</u>	<u>1,690,426</u>
Accumulated amortization:				
State-wide portal	(443,039)	(47,584)	-	(490,623)
Recording software	(18,024)	(216,291)	-	(234,315)
Total amortization	<u>(461,063)</u>	<u>(263,875)</u>	<u>-</u>	<u>(724,938)</u>
Amortizable asset, net	<u>1,178,363</u>	<u>(263,875)</u>	<u>-</u>	<u>914,488</u>
Capital assets, net	<u>\$ 1,178,363</u>	<u>\$ (212,875)</u>	<u>\$ -</u>	<u>\$ 965,488</u>

Amortization expense for the years ended June 30, 2024 and 2023 was \$280,130 and \$263,875, respectively.

4. RELATED PARTY:

Members of LCRAA are also members of the Louisiana Clerks of Court Association (Association). The Association operates as a nonprofit organization for the purpose of providing the opportunity for Clerks of Court to exchange ideas in the operation of their offices and offer ways and means to service the public better.

LCRAA shares equipment and other office expenses, including salaries of employees, with the Association. For the years ended June 30, 2024 and 2023, LCRAA reimbursed the Association \$132,000 and \$120,000, respectively, for its share of expenses.

5. BOARD DESIGNATED GRANTS:

The Board has designated funds for the purpose of awarding grants to assist member Clerks of Court with costs associated with computer equipment and software to access the state-wide portal. Board designated grants are included in unrestricted net position on the statement of net position. The Clerks must complete the terms of the grant agreement before LCRAA releases payment to the Clerks.

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

5. BOARD DESIGNATED GRANTS: (Continued)

Following is a summary of Board designated grants for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Board designated grants, beginning of year	\$ 516,087	\$ 749,071
Add: current year Board designations	542,402	318,587
Less: current year payments to Clerks of Court	(405,888)	(478,074)
Less: emergency payments	(20,879)	-
Less: amounts undesignated	<u>(4,574)</u>	<u>(73,497)</u>
 Board designated grants, end of year	 <u>\$ 627,148</u>	 <u>\$ 516,087</u>

6. COMMITMENTS:

LCRAA entered into various contracts for the purpose of creating a web based state-wide portal, maintenance of the portal, support for registered members, and connectivity of data files for registered members. LCRAA entered into a contract for the development and hosting of recording software. The remaining commitment under these contracts was \$58,800 and \$55,400 as of June 30, 2024 and 2023.

LCRAA also entered into a contract for case management software, documentation management software and related services for participating clerks' offices. LCRAA is committed to the payment for the implementation of the case management and document management software for forty-four clerk's offices. The commitment begins upon execution of a contract between the clerk's office and the contractor. As of June 30, 2024, twenty-one clerk's offices have signed contracts with the contractor. The remaining commitment under this contract was \$1,472,500 and \$1,321,500 at June 30, 2024 and 2023, respectively.

7. COMPENSATION TO BOARD OF COMMISSIONERS:

The Board of Commissioners did not receive any compensation during 2024 or 2023.

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE CHAIRMAN OF THE BOARD OF COMMISSIONERS
FOR THE YEAR ENDED JUNE 30, 2024

Chairman of the Board of Commissioners:
Richard Arceneaux

Meals	\$	43
Per diem		<u>-</u>
Total	\$	<u><u>43</u></u>



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

October 24, 2024

Board of Commissioners of the Louisiana Clerks'
Remote Access Authority
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana Clerks' Remote Access Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Louisiana Clerks' Remote Access Authority's basic financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Louisiana Clerks' Remote Access Authority'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 Louisiana Clerks' Remote Access Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Clerks' Remote Access Authority's internal control.

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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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Duplantier, Sharpman, Hogan and Parker, LLP

New Orleans, Louisiana

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
SUMMARY SCHEDULE OF AUDIT FINDINGS
JUNE 30, 2024

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Louisiana Clerks' Remote Access Authority for the year ended June 30, 2024 was unmodified.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE WITH LAWS AND REGULATIONS AND OTHER MATTERS:

2. Internal Control:

Material weaknesses:	None noted
Significant deficiencies:	None noted

3. Compliance and Other Matters: None noted

MANAGEMENT LETTER COMMENTS:

None noted

SUMMARY OF PRIOR YEAR FINDINGS:

None noted

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JULY 01, 2023 - JUNE 30, 2024

LOUISIANA CLERKS' REMOTE ACCESS AUTHORITY
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR JULY 01, 2023
THROUGH JUNE 30, 2024

October 15, 2024

Board of Commissioners of the
Louisiana Clerks' Remote Access Authority
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 01, 2023 through June 30, 2024. The Louisiana Clerks' Remote Access Authority's management is responsible for those C/C areas identified in the SAUPs.

The Louisiana Clerks' Remote Access Authority 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 the LLA's SAUPs for the fiscal period July 01, 2023 through June 30, 2024. Additionally, the 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:

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1) Written Policies and Procedures

- A. **Procedure**: 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.
 - 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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - 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).
 - 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.
 - 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.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - 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).
 - 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.
 - x. ***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.

- xi. ***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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- A. **Procedure**: 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, 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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

3) ***Bank Reconciliations***

- A. **Procedure**: 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:

- 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);
- 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- 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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

4) Collections (excluding electronic funds transfers)

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

- D. **Procedure:** 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). *Alternatively, 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.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures,

then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- 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;
- 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
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

D. **Procedure:** 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.*

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- A. **Procedure:** 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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- A. **Procedure:** 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:
- 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No findings noted as a result of applying the above agreed-upon procedures.

8) *Contracts*

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

- 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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

9) *Payroll and Personnel*

- A. **Procedure:** 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.

Results: This section is not applicable. LCRAA does not have any employees. The Louisiana Clerks of Court Association provides management and other administrative services to LCRAA for a fee.

- B. **Procedure:** 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);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: The procedures in this section are not applicable.

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

Results: The procedures in this section are not applicable.

- D. **Procedure**: 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.

Results: The procedures in this section are not applicable.

10) *Ethics*

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

Results: The Louisiana Clerks of Court Association provides management and other administrative services to LCRAA for a fee. LCRAA does not have employees. However, we randomly selected five employees/board members of the Louisiana Clerks Association and obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

11) *Fraud Notice*

- A. **Procedure**: 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.

Results: No misappropriations were noted.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

12) Information Technology Disaster Recovery/Business Continuity

- A. **Procedure:** 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, and (c) was encrypted.
- 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.
- 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.

Results: We performed the above agreed-upon procedure and discussed the results with management of Louisiana Clerks' Remote Access Authority .

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

Results: We performed the above agreed-upon procedure and discussed the results with management of Louisiana Clerks' Remote Access Authority .

- C. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and

- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment

Results: We performed the above agreed-upon procedure and discussed the results with management of Louisiana Clerks' Remote Access Authority .

13) Prevention of Sexual Harassment

- A. **Procedure:** 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.

Results: The Louisiana Clerks of Court Association provides management and other administrative services to LCRAA for a fee. LCRAA does not have employees. However, we randomly selected five employees/board members of the Louisiana Clerks Association and obtained sexual harassment compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required sexual harassment training was completed.

No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** 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).

Results: No findings noted as a result of applying the above agreed-upon procedures.

- C. **Procedure:** 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:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: No findings noted as a result of applying the above agreed-upon procedures.

We were engaged by the Louisiana Clerks' Remote Access Authority 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 Louisiana Clerks' Remote Access Authority 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 results 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 Louisiana Legislative Auditor as a public document.

Duplantier, Sharpner, Hogan and Grady, LLP

New Orleans, Louisiana