



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

ST. JOHN THE BAPTIST PARISH CLERK OF COURT

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position – Governmental Activities	9
Statement of Activities – Governmental Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	12
Reconciliation of Government Fund Balance to Net Position of Governmental Activities	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance - Governmental Funds to the Statement of Activities	14
Statement of Fiduciary Assets and Liabilities – Agency Funds	15
Statement of Changes in Fiduciary Fund Balance	16
Notes To Financial Statements	17-38
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance General Fund Budget and Actual	39
Schedule of Revenues, Expenditures, and Changes in Fund Balance East Bank Expenses Fund Budget and Actual	40
Schedule of Proportionate Share of the Net Pension Liability	41
Schedule of Contributions – Retirement Plan	42
Notes to Required Supplementary Information	43
Independent Auditor's Report On Compliance and on Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance With Government Auditing Standards	44-45
Summary of Auditor's Results	46
Schedule of Findings and Responses	47-51
Status of Prior Year Findings	52
OTHER INFORMATION	
Statement of Changes in Fiduciary Liabilities	53
Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer	54



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, governmental funds and were engaged to audit the fiduciary funds of the St. John the Baptist Clerk of Court (the Clerk of Court) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Continued.

Basis for Qualified Opinion on the Fiduciary Fund

The fiduciary fund recorded a balance in due to litigants and others totaling \$6,023,537. The subsidiary ledgers supporting the due to litigant balances also included amounts recorded as receivable from litigants totaling \$762,356. The financial activities of the litigant balances were not audited for the fiscal years ended June 30, 2017 and 2018. We were unable to determine through alternative procedures if the balances resulting from this 2-year period were fairly stated and if the amounts reported as receivable from litigants were collectible. The amount by which these matters would affect the assets, liabilities and fund balance of the Fiduciary Fund has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on the Fiduciary Fund” section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Fiduciary Fund of the St. John the Baptist Parish Clerk of Court, as of June 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, pages 4-8, the analysis and budgetary comparison information on pages 39-40, and the schedule of proportionate share of the net pension liability and schedule of contributions and the related notes to required supplemental information on pages 41-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Continued,

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The Statement of Changes in Fiduciary Liabilities (the statement) and the Schedule of Compensation, Benefits, and Other Payments to Agency Head (the schedule) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Registrar's internal control over financial reporting and compliance.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
October 11, 2023

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The management discussion and analysis of St. John The Baptist Parish – Clerk of Court's financial performance provides an overview of the financial activities for the year. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The liabilities of the Clerk of Court exceeded its assets by \$1,261,499 at June 30, 2021. The Clerk of Court has an unrestricted net deficit of (\$1,986,469) in governmental activities.
- During the year, the Clerk of Court had expenses of \$2,323,225, which was \$255,903 more than the \$2,067,322 of revenue generated by governmental programs during the year.
- Governmental funds reported an ending fund balance of \$1,226,522.
- Total governmental fund revenues were \$2,334,657 in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Continued.

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

FUND FINANCIAL STATEMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The liabilities of the Clerk of Court exceeded its assets by \$1,261,499 at June 30, 2021. The Clerk of Court has an unrestricted net deficit of (\$1,986,469). The following table reflects condensed information on the Clerk of Court's net position at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets			
Cash and Cash Equivalents	\$ 1,070,318	\$ 910,744	\$ 159,574
Certificates of Deposit	100,508	100,457	51
Receivables	-	7,233	(7,233)
Due From Other Governments	199,179	153,499	45,680
Prepaid Expenses	914	13,644	(12,730)
Capital Assets, net	8,185	10,285	(2,100)
Total Assets	<u>1,379,104</u>	<u>1,195,862</u>	<u>183,242</u>
Deferred Outflows of Resources			
Pension Deferrals	<u>551,577</u>	<u>495,329</u>	<u>56,248</u>
Total Deferred Outflows of Resources	551,577	495,329	56,248
Liabilities			
Accounts Payable and Accrued Expenses	144,397	135,624	8,773
Pension Liabilities	<u>2,496,206</u>	<u>3,559,690</u>	<u>(1,063,484)</u>
Total Liabilities	<u>2,640,603</u>	<u>3,695,314</u>	<u>(1,054,711)</u>
Deferred Inflows of Resources			
Pension Deferrals	<u>1,268,362</u>	<u>747,319</u>	<u>521,043</u>
Total Deferred Inflows of Resources	1,268,362	747,319	521,043
Net Position			
Net Investment in Capital Assets	8,185	10,285	(2,100)
Unrestricted Deficit	<u>(1,986,469)</u>	<u>(2,761,727)</u>	<u>775,258</u>
Total Net Position (Deficit)	<u>\$ (1,978,284)</u>	<u>\$ (2,751,442)</u>	<u>\$ 773,158</u>

**ST. JOHN THE BAPTIST PARISH - CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Continued,

The Clerk of Court had (\$144,752) in net position subject to restrictions in the current year. Restricted net position relates to any surplus fund balance for the Eastbank Fund, a special revenue fund. The Clerk of Court's total revenues for the year in governmental activities were \$2,334,657 (\$2,067,322 in program revenues and \$267,335 in general revenues).

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the Clerk of Court's governmental funds reported combined ending fund balances of \$1,226,522. Unassigned fund balance was reported at \$1,370,360.

The General Fund is the primary fund of the Clerk of Court. As of June 30, 2021, the General Fund had an unassigned fund balance of \$1,370,360. As a measure of the General Fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. The unassigned fund balance represents 71% of total General Fund expenditures in the current year.

The fund balance of the Eastbank Fund (Eastbank) special revenue fund decreased by (\$126,716) during the current fiscal year due to a transfer to the General Fund to resolve a re-occurring deficit fund balance.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

BUDGETARY HIGHLIGHTS

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

A comparison of actual results as of June 30, 2021 and the original budget for the General Fund are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Total Revenues	\$ 2,085,300	\$ 2,246,003	\$ (160,703)
Total Expenses	<u>1,977,900</u>	<u>1,942,718</u>	<u>35,182</u>
Net Change in Fund Balance	\$ 107,400	\$ 303,285	\$ (195,885)

CAPITAL ASSETS

The Clerk reported Capital Assets of \$8,185 and \$10,285 at June 30, 2021 and 2020, respectively. Capital assets consist of various furniture, fixtures & equipment. Depreciation expense for the year was \$2,100.

ECONOMIC AND OTHER FACTORS BEARING ON THE CLERK'S FUTURE

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

REQUESTS FOR INFORMATION

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
AS OF JUNE 30, 2021**

Assets	
Cash and Cash Equivalents	\$ 1,070,318
Certificates of Deposit	100,508
Due From Other Governments	199,179
Prepaid Expenses	914
Capital Assets, net	8,185
Total Assets	<u><u>1,379,104</u></u>
 Deferred Outflows of Resources	
Pension Deferrals	<u>551,577</u>
Total Deferred Outflows of Resources	<u>551,577</u>
 Liabilities	
Accounts Payable and Accrued Expenses	144,397
Pension Liabilities	<u>2,496,206</u>
Total Liabilities	<u><u>2,640,603</u></u>
 Deferred Inflows of Resources	
Pension Deferrals	<u>1,268,362</u>
Total Deferred Inflows of Resources	<u>1,268,362</u>
 Net Position	
Net Investment in Capital Assets	8,185
Unrestricted Deficit	<u>(1,986,469)</u>
Total Net Position (Deficit)	<u><u>\$ (1,978,284)</u></u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
AS OF JUNE 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Net</u> <u>(Expenses)/Revenues</u>
Governmental Activities:			
General Government	\$ 2,323,225	\$ 2,067,322	\$ (255,903)
Total governmental Activities:			<u>(255,903)</u>
General Revenues:			
Miscellaneous Revenue			251,676
Interest and Investment Earnings			<u>15,659</u>
Total General Revenues			<u>267,335</u>
Changes in Net Position			<u>11,432</u>
Net Position - Beginning			(2,751,442)
Net Position Adjustment			<u>761,726</u>
Net Position - Ending			<u>\$ (1,978,284)</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021**

	General Fund	East Bank Expense Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 1,040,508	\$ 29,810	\$ 1,070,318
Certificates of Deposit	100,508	-	100,508
Receivables, Net	-	-	-
Due From Other Governments	191,353	7,826	199,179
Due From Other Funds	182,388	-	182,388
Prepaid Expenses	914	-	914
Total Assets	1,515,671	37,636	1,553,307
Liabilities			
Accounts Payable	39,870	-	39,870
Accrued Expenses	104,527	-	104,527
Due to Other Funds	-	182,388	182,388
Total Liabilities	144,397	182,388	326,785
Fund Balance			
Nonspendable	914	-	914
Restricted	-	(144,752)	(144,752)
Unassigned	1,370,360	-	1,370,360
Total Fund Balance	1,371,274	(144,752)	1,226,522
Total Liabilities and Net Assets	\$ 1,515,671	\$ 37,636	\$ 1,553,307

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>East Bank Expense Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Licenses and Permits	\$ 6,468	\$ -	\$ 6,468
Fees, Charges and Commissions:			
Court Costs, Fees, and Charges	1,041,604	88,646	1,130,250
Recording Legal Documents	865,747	-	865,747
Certified Copies	64,857	-	64,857
Intergovernmental Revenues:			
State - Child Support Fees	19,007	-	19,007
Other Intergovernmental Revenues	232,669	-	232,669
Interest	15,651	8	15,659
Total Revenues	<u>2,246,003</u>	<u>88,654</u>	<u>2,334,657</u>
Expenditures			
Current:			
General Government:			
Personnel Salaries and Related Benefits	1,533,752	215,361	1,749,113
Operating Services	345,668	9	345,677
Materials and Supplies	63,298	-	63,298
Total Expenditures	<u>1,942,718</u>	<u>215,370</u>	<u>2,158,088</u>
Net Change in Fund Balance	303,285	(126,716)	176,569
Fund Balance, Beginning of Year	<u>1,067,989</u>	<u>(18,036)</u>	<u>1,049,953</u>
Fund Balance, End of Year	<u>\$ 1,371,274</u>	<u>\$ (144,752)</u>	<u>\$ 1,226,522</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

Fund Balances, Total Governmental Funds \$ 1,226,522

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

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

Governmental capital assets	365,754	
Less Accumulated Depreciation	<u>(357,569)</u>	
		8,185

Deferred outflows of resources related to the pension plan		551,577
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Deferred inflows of resources related to the pension plan		(1,268,362)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Net Pension Liability	(1,425,934)	
Net OPEB obligation	<u>(1,070,272)</u>	
		<u>(2,496,206)</u>

Net Position of Governmental Activities		<u>\$ (1,978,284)</u>
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The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances, Total Governmental Funds \$ 176,569

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

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

Capital Outlay	-
Depreciation Expense	(2,100)

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

Current year pension (expense) per the retirement system	(147,064)
Current year OPEB (expense)	(15,973)
	(163,037)

Change in Net Position of Governmental Activities \$ 11,432

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AS OF JUNE 30, 2021

Assets

Current Assets

Cash and cash equivalents	\$ 3,395,508
Certificates of deposit	1,865,673
Due from litigants	<u>762,356</u>
Total Assets	<u><u>6,023,537</u></u>

Liabilities

Current Liabilities

Due to litigants and others	<u>6,023,537</u>
Total Liabilities and Net Assets	<u><u>\$ 6,023,537</u></u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATEMENT OF CHANGES IN FIDUCIARY FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

ADDITIONS

Deposits on behalf of litigants	<u>\$ 2,782,454</u>
Total Additions	<u>2,782,454</u>

DEDUCTIONS:

Disbursements on behalf of litigants	<u>(2,584,737)</u>
Total Deductions	<u>(2,584,737)</u>
Change in Fiduciary Fund Balance	<u>197,717</u>

FIDUCIARY FUND BALANCE

Beginning of Year	5,825,820
End of Year	<u><u>\$ 6,023,537</u></u>

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Governmental Funds:

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

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds:

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

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

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

Cash and Cash Equivalents

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

Capital Assets

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

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

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

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

Compensated Absences

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

Equity Classifications

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

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

Interfund Transactions

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

Accounting Estimates

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Accounting Pronouncements

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

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

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

Pensions

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

NOTE 2: CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2021, the Clerk of Court had the following cash and certificates of deposit as follows:

Governmental Funds	\$ 1,170,826
Fiduciary Funds	5,261,181
Total	<u><u>\$ 6,432,007</u></u>

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND CERTIFICATES OF DEPOSIT (CONTINUED)

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

NOTE 3: DUE FROM OTHER GOVERNMENTS

At June 30, 2021, the Clerk of Court recorded amount due from other governments totaling \$199,179. Details supporting the specific jurisdictions which were due funds were not available.

NOTE 4: CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2021:

Furniture, Fixtures & Equipment	\$ 365,754
Accumulated Depreciation	<u>(357,569)</u>
Capital Assets, Net	<u>\$ 8,185</u>

Depreciation expense for the year ended June 30, 2021 was \$2,100.

NOTE 5: PENSION PLAN

Plan Description

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

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.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: PENSION PLAN (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% percent 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.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: PENSION PLAN (CONTINUED)

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.

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to 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 payments 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.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: PENSION PLAN (CONTINUED)

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

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 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.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2021, the actual employer contribution rate was 21%. In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense.

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

At June 30, 2021, the Clerk of Court reported a liability of \$1,425,934 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 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, 2021, the Clerk of Court's proportion was 1.07194%.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: PENSION PLAN (CONTINUED)

For the year ended June 30, 2021, the Clerk of Court recognized pension expense of \$147,064. At June 30, 2021, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 39,752	\$ 23,925
Net difference between projected and actual investment earnings on pension plan investments	-	630,709
Change in assumptions	307,838	-
Change in proportions	84,773	27,898
Total deferred outflows/inflows	<u>\$ 432,363</u>	<u>\$ 682,532</u>

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

<u>Years Ending</u>	<u>Amounts</u>
6/30/2022	\$ 25,101
6/30/2023	8,098
6/30/2024	(60,915)
6/30/2025	(222,453)
Total	<u>\$ (250,169)</u>

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: PENSION PLAN (CONTINUED)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation date	June 30, 2021
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%
Mortality rates	Pub-2010 Public Retirement Plans multiplied by 120% Mortality Table with full generational Projection using appropriate MP-2019 improvement table
Expected remaining service lives	5 years
Cost of Living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: PENSION PLAN (CONTINUED)

The actuarial assumptions used are based on the assumptions used in the 2021 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 - June 30, 2019 unless otherwise specified.

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.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.02% for the year ended June 30, 2021.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: PENSION PLAN (CONTINUED)

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2021 is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset</u>	<u>Long-Term Expected Real</u>
Fixed Income		
Domestic Bonds	25%	2.50%
International Bonds		3.50%
Domestic Equity	38%	7.50%
International Equity	22%	8.50%
Real Estate	15%	4.50%
	<u>100%</u>	

Discount Rate

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

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

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: PENSION PLAN (CONTINUED)

	1.0% Decrease (5.55%)	Current Discount Rate (6.55%)	1.0% Increase (7.55%)
Clerk of Court's proportionate share of the net pension liability	\$ 2,513,518	\$ 1,425,934	\$ 509,826

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

Pension Plan Fiduciary Net Position

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

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN

General Information about the OPEB Plan

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

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

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

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

Employees Covered by Benefit Terms. At June 30, 2021, 27 active and retired employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	5
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>22</u>
Total	<u><u>27</u></u>

Total OPEB Liability

The Clerk of Court’s total other postemployment benefits liability of \$1,070,272 was measured as of June 30, 2021 and was determined by an actuarial valuation as January 1, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

Inflation: 2.40%

Salary Increases, including inflation: 3.25%

Discount Rate: 1.92%

Health Care Cost Trend Rates

- Medical: 4.95% in the first year, 6.25% for 2022, decreasing 0.25% per year to an ultimate rate of 5.0% for 2027 and later years.
- Medicare Advantage: 0% for 2021, 4.75% for 2022, decreasing 0.25% per year to an ultimate rate of 3.0% for 2029 and later years. Include 2% per year for aging.
- Dental: 3.0% annual trend
- Vision: 3.0% annual trend

Retirees' Share of Benefit-Related Costs:

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

The discount rate was based on the 6/30/2021 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-2020 for males or females, as appropriate. Mortality rates for retired employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2020 for males or females, as appropriate. The actuarial assumptions used in the valuation were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 6/30/2020	\$1,000,090
Changes for the year:	
Service Cost	49,899
Interest	25,426
Differences between expected and actual experience	(7,465)
Changes in Assumptions/Inputs	26,744
Change in Benefit Terms	0
Benefit payments	(24,422)
Administrative Expense	0
Net Changes	70,182
Balance at 6/30/2021	\$1,070,272

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 (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB Liability	\$ 1,210,148	\$ 1,070,272	\$ 929,372

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 (0.92%)	Trend Rate (1.92%)	1% Increase (2.92%)
Total OPEB Liability	\$ 925,072	\$ 1,070,272	\$ 1,238,830

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)

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

For the year ended June 30, 2021, the Clerk recognized an OPEB expense of \$15,973. The Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 359,890
Changes of assumptions or other inputs	119,214	225,941
Total	<u>\$ 119,214</u>	<u>\$ 585,831</u>

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

Year Ended June 30:	
2022	(59,352)
2023	(59,352)
2024	(59,352)
2025	(59,352)
2026	(57,400)
Thereafter	(171,808)

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities of the Clerk of Court at June 30, 2021:

Net Pension Liability	\$ 1,425,934
OPEB Obligation	<u>1,070,272</u>
Total Long-term Liabilities	<u><u>\$ 2,496,206</u></u>

NOTE 8: DEFERRED COMPENSATION PLAN

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

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

The Clerk of Court agreed to match each participant's contribution up to a maximum of 6% for the year ended June 30, 2021. The Clerk of Court made contributions on behalf of the employees for the year ended June 30, 2021. Withdrawals from the plan occur at retirement, separation from service, death, or proven financial hardship (unforeseeable emergency as defined by the Plan).

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: INTERFUND ASSETS/LIABILITIES

At June 30, 2021, the general fund recorded a balance due from the East Bank Expense fund totaling \$182,388 and the East Bank Expense fund recorded a balance due to the General fund for the same amount. There were no adjustments necessary.

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

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

NOTE 11: LOUISIANA LEGISLATIVE AUDITOR INVESTIGATION

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

NOTE 12: NET POSITION ADJUSTMENT

The Clerk of Court made a \$761,726 net position adjustment related to cumulative changes in the pension liability from prior years.

NOTE 13: SUBSEQUENT EVENTS

Management evaluated subsequent events as of October 11, 2023, which is the date of the audit report. Management has noted that there are no additional disclosures or adjustments to these financial statements required.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
GENERAL FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

Revenues	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Licenses and permits	9,100	\$ 6,468	2,632
Fees, Charges, and Commissions:			
Court Costs, Fees, and Charges	767,600	1,041,604	(274,004)
Recording Legal Documents	1,151,600	865,747	285,853
Certified Copies	90,200	64,857	25,343
Intergovernmental Revenues:			
State - Child Support Fees	-	19,007	(19,007)
Other Intergovernmental Revenues	42,200	232,669	(190,469)
Interest	24,600	15,651	8,949
Total Revenues	<u>2,085,300</u>	<u>2,246,003</u>	<u>(160,703)</u>
Expenditures			
Current:			
General Government:			
Personnel Salaries and Related Benefits	1,572,600	1,533,752	38,848
Operating Services	281,100	345,668	(64,568)
Materials and Supplies	92,200	63,298	28,902
Capital Outlay	32,000	-	32,000
Total Expenses	<u>1,977,900</u>	<u>1,942,718</u>	<u>35,182</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
EAST BANK EXPENSE FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues	Original Budget	Actual	Variance with Budget
Fees, Charges, and Commissions:			
Court Costs, Fees, and Charges	\$ 179,400	\$ 88,646	\$ 90,754
Interest	80	8	72
Total Revenues	<u>179,480</u>	<u>88,654</u>	<u>90,826</u>
Expenditures			
Current:			
General Government:			
Personnel Salaries and Related Benefits	202,200	215,361	(13,161)
Operating Services	16,100	9	16,091
Materials and Supplies	1,900	-	1,900
Total Expenses	<u>220,200</u>	<u>215,370</u>	<u>4,830</u>

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Clerk of Court's Proportion of the Net Pension Liability (Asset)	1.07194%	1.06369%	1.01567%	Not Available	1.04739%	1.06168%	1.06610%
Clerk of Court's Proportionate Share of the Net Pension Liability (Asset)	1,425,934	2,559,600	\$ 1,844,445	Not Available	\$ 1,937,648	\$ 1,592,559	\$ 1,438,020
Clerk of Court's Covered-Employee Payroll	1,132,438	1,060,611	\$ 1,563,529	Not Available	951,753	\$ 963,786	\$ 942,173
Clerk of Court's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	125.92%	241.33%	117.97%	Not Available	203.59%	165.24%	152.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.09%	72.09%	54.48%	Not Available	74.17%	78.13%	79.37%

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually Required Contribution	\$ 227,204	\$ 200,433	\$ 187,759	Not Available	181,884	180,833	183,119
Contributions in Relation to the Contractually Required Contribution	227,204	200,433	187,759	Not Available	181,884	180,833	183,119
Contribution Deficiency/(Excess)	-	-	-	Not Available	-	-	-
Covered-Employee Payroll	1,132,438	1,060,611	1,034,909	Not Available	957,284	951,753	963,786
Contributions as a Percentage of Covered-Employee Payroll	20.06%	18.90%	18.14%	Not Available	19.00%	19.00%	19.00%

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

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

NOTE 2: NET PENSION LIABILITY

Changes of Benefit Terms

There were no changes of benefit terms for the three valuation years ended June 30, 2021.

Changes of Assumptions

For the actuarial valuation for the year ended June 30, 2021, the discount rate was reported at 6.55%, the salary increase assumption remained constant at 5%, and the inflation assumption remained constant at 2.5%.

NOTE 3: AGENCY FUNDS

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

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

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



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clerk of Court for St. John the Baptist Parish, Louisiana (Clerk of Court), as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Clerk of Court's basic financial statements and have issued our report thereon dated October 11, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Finding # 2021-01 through 2021-04 that we consider to be material weaknesses.

Continued,

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding #2021-05.

Clerk of Court's Response to Findings

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

Purpose of This Report

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

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
October 11, 2023

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SUMMARY OF AUDITOR'S RESULTS
JUNE 30, 2021**

Section I – Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified Yes No

Significant deficiency(s) identified
not considered to be material weaknesses Yes None Reported

Noncompliance material to financial statements noted Yes No

Federal Awards

The Clerk of Court did not receive federal awards in excess of \$750,000 during the year ended June 30, 2021, and, therefore, is exempt from the audit requirements under the Uniform Guidance.

No Separate Management Letter Issued

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

FINDING# 2021-01 ADVANCE DEPOSIT FUND ACCOUNTING NOT ADEQUATE

CRITERIA:

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

CONDITION:

The Advance Deposit Fund includes funds paid in advance by litigants to cover the cost of litigation and other Clerk charges. The fund reported cash and certificates of deposit totaling \$4,419,428 as of June 30, 2021. However we noted the subsidiary ledger included numerous cases and related balances that totaled \$4,213,025. Some of the cases dated back to 1992. The Clerk had not completed a comprehensive review and resolution of the aged cases to determine if funds were due to be returned to specific litigants or if case balances had been depleted.

CAUSE:

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

EFFECT:

Due to the age of many of the cases and the independent audit reports that reflected disclaimers of opinion for the years 2017 through 2020 we were unable to determine if many of the prior year cases and balances were properly identified as due to specific litigants.

RECOMMENDATION:

We recommend that the Clerk complete a comprehensive review and evaluation of the cases and related balances within the fund. Balances on closed cases should be properly disbursed to the proper litigant. The resulting report should reflect pending case balances.

MANAGEMENT'S RESPONSE:

Management engaged an independent consultant to reconcile the advance fund report to the funds on deposit. Their report properly reconciled the activity. The Clerk has begun the process of reviewing the aged cases within the report and disbursing balances due to the proper litigants. The report has also been converted to a more usable electronic format for future use as a management tool.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

FINDING# 2021-02 BANK RECONCILIATION PROCEDURES NOT ADEQUATE

CRITERIA:

Governmental Accounting best practices state that bank reconciliations should be prepared within 30 days of receiving the bank statement from the financial institution. As part of the reconciliation, the preparer should consider whether (1) all receipts and disbursements are recorded by the entity; (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger balance. Any *differences between the bank balances and accounting records should be immediately researched and resolved*. Any adjustments to the accounting records should be recorded by someone other than the employee performing the bank reconciliation. Once the reconciliation is prepared and reviewed, the preparer and reviewer should sign/initial and date.

CONDITION:

The Clerk's office bank reconciliation procedures were not adequate. During our audit we noted the following exceptions:

- a. Several bank reconciliations in the governmental and fiduciary funds did not properly balance to the trial balance. Specifically, the Salary Fund bank account and the Credit Card bank account within the General Fund, Civil Jury bank account within the Criminal Jury Fund, and the Advance Deposit Fund Computer bank account were not properly reconciled; the register balances on the bank reconciliations did not tie to the Trial Balances at year-end.
- b. The reconciliations were not signed or dated by the preparer and reviewer. We were unable to determine if the reconciliations were prepared in a timely manner.

CAUSE:

The Clerk's accounting procedures did not include timely research and resolution of variances on bank reconciliations. In addition, bank reconciliation procedures did not include a supervisory review.

EFFECT:

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

RECOMMENDATION:

We recommend that bank reconciliations be completed on a monthly basis and supervisory approvals be performed and documented.

MANAGEMENT'S RESPONSE:

Management will establish a monitoring system to ensure the timely completion of bank reconciliations.

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

FINDING# 2021-03 FIXED ASSET ACCOUNTING PROCEDURES NOT ADEQUATE

CRITERIA:

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

CONDITION:

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

CAUSE:

General accounting procedures were not adequate.

EFFECT:

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

RECOMMENDATION:

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

MANAGEMENT'S RESPONSE:

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

FINDING 2021-04 GENERAL ACCOUNTING PROCEDURES AND CONTROLS NOT ADEQUATE

CRITERIA:

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

CONDITION:

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

1. Accounting for Clerk's activities require significant updating by their accounting department in order to produce financial statements in accordance with generally accepted accounting principles.
2. Accrued expenses included various payroll liability accounts totaling \$104,527. These balances were not supported with subsidiary ledgers or schedules.

CAUSE:

The Clerk's accounting department in effect for the June 30, 2021 fiscal year did not appear to be adequately staffed or experienced to perform the required procedures to prepare financial statements.

EFFECT:

This resulted in numerous journal entries and account analyses performed by the Clerk's current accounting department.

RECOMMENDATION:

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

MANAGEMENT'S RESPONSE:

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

FINDING 2021-05 TIMELY SUBMISSION OF AUDIT REPORT

CRITERIA:

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

CONDITION:

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

CAUSE:

The Clerk did not have an effective system of general accounting and financial reporting which contributed to the delinquencies in independent audit completion.

EFFECT:

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

RECOMMENDATION:

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

MANAGEMENT REPOSE:

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

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2021**

<u>Finding#</u>	<u>Description</u>	<u>Type</u>	<u>Status</u>
2020-01	Advance Deposit Fund Accounting Not Adequate	Material Weakness	Unresolved
2020-02	Cash in Bank Not Recorded on General Ledger	Material Weakness	Resolved
2020-03	Bank Reconciliation Procedures Not Adequate	Material Weakness	Unresolved
2020-04	Fixed Asset Accounting Procedures Not Adequate	Material Weakness	Unresolved
2020-05	General Accounting Procedures and Controls Not Adequate	Material Weakness	Unresolved
2020-06	Timely Submission of Audit Report	Noncompliance	Unresolved

OTHER INFORMATION

**ST. JOHN THE BAPTIST PARISH CLERK OF COURT
SCHEDULE OF CHANGES IN FIDUCIARY LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Advance Deposit Fund</u>	<u>Registry Fund</u>	<u>Criminal Juror Fund</u>	<u>Total</u>
ADDITIONS:				
Due to Litigants and Others	\$ 1,915,602	\$ 846,541	\$ 20,311	\$ 2,782,454
Total Additions	<u>1,915,602</u>	<u>846,541</u>	<u>20,311</u>	<u>2,782,454</u>
REDUCTIONS:				
Due to Litigants and Others	1,518,015	1,046,426	20,296	2,584,737
Total Reductions	<u>1,518,015</u>	<u>1,046,426</u>	<u>20,296</u>	<u>2,584,737</u>
Changes in Fiduciary Liabilities	<u>397,587</u>	<u>(199,885)</u>	<u>15</u>	<u>197,717</u>
Beginning Balance of Liabilities	<u>4,784,197</u>	<u>1,022,150</u>	<u>19,473</u>	<u>5,825,820</u>
Ending Balance of Liabilities	<u>\$ 5,181,784</u>	<u>\$ 822,265</u>	<u>\$ 19,488</u>	<u>\$ 6,023,537</u>

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

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Agency Head Name: Eliana DeFrancesch, Clerk of Court

Purpose	Amount
Salary	148,829
Benefits-insurance	43,532
Benefits-retirement	-
Benefits-other	12,820
Car allowance	2,100
Vehicle provided by government	-
Dues	60
Reimbursements	-
Travel	-
Registration fees	600
Conference travel	600
Continuing professional education fees	-
Housing	-
Unvouchered expenses*	-
Special meals	-
Total	\$208,541