

R E P O R T

CLERKS' SUPPLEMENTAL COMPENSATION FUND
BATON ROUGE, LOUISIANA

JUNE 30, 2025 AND 2024

CLERKS' SUPPLEMENTAL COMPENSATION FUND
BATON ROUGE, LOUISIANA

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JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

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September 29, 2025

Board of Directors of the
Clerks' Supplemental Compensation Fund
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Clerks' Supplemental Compensation Fund as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Clerks' Supplemental Compensation Fund's basic financial statements as listed in the index to the report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Clerks' Supplemental Compensation Fund as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerks' Supplemental Compensation Fund's basic financial statements. The supplementary information as listed in the index to the report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, on our consideration of the Clerks' Supplemental Compensation Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerks' Supplemental Compensation Fund's internal control over financial reporting and compliance.

Duplantier, Shapreau, Hogan and Oakes, LLP
Metairie, Louisiana

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

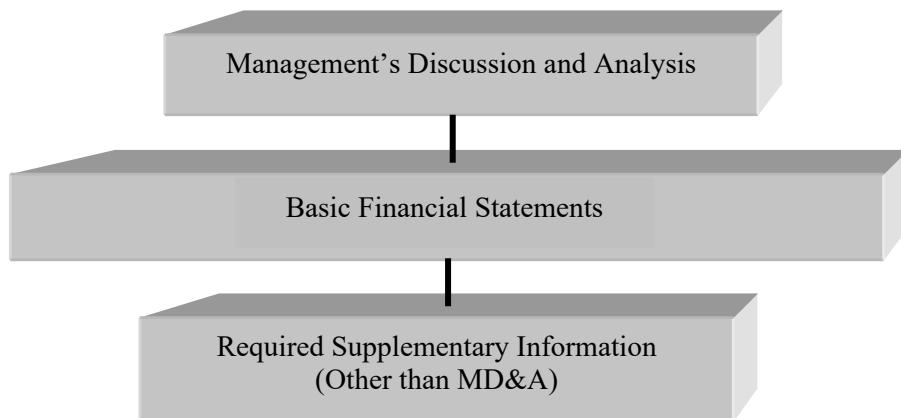
The Management's Discussion and Analysis of the Clerks' Supplemental Compensation Fund's (Fund) financial performance presents a narrative overview and analysis of the Clerks' Supplemental Compensation Fund's financial activities for the years ended June 30, 2025 and 2024. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior period's information. Please read this document in conjunction with the additional information contained in the Clerks' Supplemental Compensation Fund's financial statements which begin on page 7.

FINANCIAL HIGHLIGHTS

- The Clerks' Supplemental Compensation Fund's net position decreased by \$54,332 or 14.1% due to an increase in Supplemental Payments.
- Fee receipts increased by \$62,732 or 3.2% due to an increase in the fee per suit filed during the year ended June 30, 2025.
- Supplemental payments increased \$156,000 or 8.0% due to an increase in the amount paid to Clerks' during the year ended June 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

Basic Financial Statements

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

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

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

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

FINANCIAL ANALYSIS

Statements of Net Position
June 30, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS:			
Cash and cash equivalents	\$ 335,904	\$ 397,701	\$ 322,651
Accounts receivable	170,707	156,742	159,546
TOTAL ASSETS	<u>\$ 506,611</u>	<u>\$ 554,443</u>	<u>\$ 482,197</u>
LIABILITIES:			
Supplemental payable	\$ 175,500	\$ 169,000	\$ 139,750
Total liabilities	<u>175,500</u>	<u>169,000</u>	<u>139,750</u>
NET POSITION:			
Restricted	<u>331,111</u>	<u>385,443</u>	<u>342,447</u>
Total net position	<u>331,111</u>	<u>385,443</u>	<u>342,447</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 506,611</u></u>	<u><u>\$ 554,443</u></u>	<u><u>\$ 482,197</u></u>

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

FINANCIAL ANALYSIS (Continued)

**Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2025, 2024, and 2023**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Program revenues - fee receipts	\$ 2,039,650	\$ 1,976,918	\$ 1,859,477
General revenues - interest	<u>19,418</u>	<u>22,878</u>	<u>7,230</u>
Total revenues	<u>2,059,068</u>	<u>1,999,796</u>	<u>1,866,707</u>
Program expenses - supplemental payments and other expenses	<u>2,113,400</u>	<u>1,956,800</u>	<u>1,682,900</u>
Change in net position	<u>\$ (54,332)</u>	<u>\$ 42,996</u>	<u>183,807</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fee receipts are based on the number of suits filed by the Clerks of Court. Therefore, results will fluctuate based on conditions existing within each Parish.

The Fund expects supplemental payments to be consistent with fiscal year 2025.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the Clerks' Supplemental Compensation Fund's finances and to show the Clerks' Supplemental Compensation Fund's accountability for the money it receives. If you have questions about this report or need additional information, contact Debbie Hudnall, Executive Director, at (225) 293-1162.

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash and cash equivalents	\$ 335,904	\$ 397,701
Accounts receivable	<u>170,707</u>	<u>156,742</u>
 TOTAL ASSETS	 <u>\$ 506,611</u>	 <u>\$ 554,443</u>
 LIABILITIES:		
Supplemental payable	\$ 175,500	\$ 169,000
Total liabilities	<u>175,500</u>	<u>169,000</u>
 NET POSITION:		
Restricted	331,111	385,443
Total net position	<u>331,111</u>	<u>385,443</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 506,611</u>	 <u>\$ 554,443</u>

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

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
REVENUES:		
Fee receipts	\$ 2,039,650	\$ 1,976,918
Interest	<u>19,418</u>	<u>22,878</u>
 Total revenues	 <u>2,059,068</u>	 <u>1,999,796</u>
 EXPENSES:		
Supplemental payments	2,106,000	1,950,000
Other expenses	<u>7,400</u>	<u>6,800</u>
 Total expenses	 <u>2,113,400</u>	 <u>1,956,800</u>
 CHANGE IN NET POSITION	 (54,332)	 42,996
 NET POSITION - Beginning of year	 <u>385,443</u>	 <u>342,447</u>
 NET POSITION - End of year	 <u>\$ 331,111</u>	 <u>\$ 385,443</u>

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

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Fee receipts	\$ 2,025,685	\$ 1,979,722
Payments to Clerks	(2,099,500)	(1,920,750)
Other payments, net of interest income	<u>12,018</u>	<u>16,078</u>
Net cash (used) provided by operating activities	<u>(61,797)</u>	<u>75,050</u>
Net increase (decrease) in cash and cash equivalents	(61,797)	75,050
Cash and cash equivalents, beginning of year	<u>397,701</u>	<u>322,651</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 335,904</u>	<u>\$ 397,701</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in net position	\$ (54,332)	\$ 42,996
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in accounts receivable	(13,965)	2,804
Increase in supplemental payable	<u>6,500</u>	<u>29,250</u>
Total adjustments	<u>(7,465)</u>	<u>32,054</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (61,797)</u>	<u>\$ 75,050</u>

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

CLERKS' SUPPLEMENTAL COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

On July 8, 1987, Louisiana Revised Statute 13:761 created the Clerks' Supplemental Compensation Fund to supplement the salaries of the clerks of court of the district courts and is in addition to any compensation otherwise authorized by law. The Clerks' Supplemental Compensation Fund Board is composed of five members appointed by the Board of Directors of the Louisiana Clerks of Court Association. The uncompensated members of the Board shall serve two-year terms unless otherwise specified, and they may not serve more than two successive terms. The Chairman of the Board shall be responsible for the distribution of the proceeds of the fund and he shall keep detailed and accurate records.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial Reporting Entity:

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

The accompanying financial statements of the Clerks' Supplemental Compensation Fund present information only as to the transactions of the programs of the Clerks' Supplemental Compensation Fund as authorized by Louisiana statutes and administrative regulations.

Basis of Presentation:

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

Measurement Focus and Basis of Accounting:

The financial statements are reported using the economic resources measurement focus and 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. The following practices are utilized in recording revenues and expenses:

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

Measurement Focus and Basis of Accounting: (Continued)

- Supplemental receipts are recorded in the month the civil suit is filed.
- Interest is recorded as earned.
- Expenses are recognized under the accrual basis of accounting when the related fund liability is incurred.

Cash and Cash Equivalents:

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

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

Accounts Receivable:

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

Net Position – Restricted:

Restrictions represent those portions of net position for future supplemental payments to the Clerks of Court.

New Standard:

In December 2023, the GASB issued Statement No. 102 *Certain Risk Disclosures*, effective for years beginning after June 15, 2024. The Statement aims to provide users of the government financial statements with essential information regarding risks associated with concentrations (lack of diversity in significant inflows or outflows of resources) and constraints (limitations imposed by external parties or by the government's decision-making authority) that may affect a government's financial condition. Governments must disclose concentrations or constraints if (1) facts are known prior to the issuance of the financial statements; (2) it makes the reporting unit vulnerable to a substantial impact; and (3) a triggering event has occurred, begun to occur, or is more likely than not to begin within twelve months of the financial statement issuance date.

CLERKS' SUPPLEMENTAL COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (Continued)

New Standard: (Continued)

The Fund has analyzed GASB 102 and implemented the standard in the fiscal year ended June 30, 2025.

2. **CASH AND CASH EQUIVALENTS:**

At June 30, 2025 and 2024, the Clerks' Supplemental Compensation Fund had the following cash and cash equivalents:

	<u>2025</u>	<u>2024</u>
Cash deposits	\$ 3,160	\$ 12,025
Cash equivalents - LAMP	332,744	385,676
Total cash and cash equivalents	\$ 335,904	\$ 397,701

Custodial credit risk is the risk that, in the event of bank failure, the Clerks' Supplemental Compensation Fund's deposits might not be recovered. At June 30, 2025 and 2024, the Clerks' Supplemental Compensation Fund had \$3,160 and \$12,025 in interest bearing bank accounts (collective bank balances), respectively. Under state law, deposits within a bank must be secured by federal deposit insurance or the pledged securities in joint custody. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. All deposits were fully secured through FDIC insurance.

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

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

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

- **Credit risk:** Lamp is rated AAA by Standard & Poor's.
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

**CLERKS' SUPPLEMENTAL COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

2. CASH AND CASH EQUIVALENTS: (Continued)

- Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
- Interest rate risk: Money market-like investment pools are excluded from this disclosure requirement, per paragraph 15 of GASB Statement No. 40.
- Foreign currency risk: Not applicable to money market-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 163 days. LAMP is designed to be highly-liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

3. COMPENSATION TO BOARD MEMBERS:

The Board members do not receive any additional compensation for being on the Board.

4. USE OF ESTIMATES:

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

5. RELATED PARTY:

The Louisiana Clerks' of Court Association operates on a nonprofit basis for the purpose of providing the opportunity for clerks of court to exchange ideas on the operation of their offices, to evaluate the standards and offer ways and means to serve the public better, to encourage the passage of uniform laws pertaining to the administration of the duties of clerks of court in the State of Louisiana, to exemplify the ideals of public service as an influence in business and civic life, to cultivate friendship among its members over the State of Louisiana, and to participate in the formulation of and to advance the official policies of the Association over the State of Louisiana.

CLERKS' SUPPLEMENTAL COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

5. RELATED PARTY: (Continued)

The Association has a controlling interest in the Clerks' Supplemental Compensation Fund through appointment of the Clerks' Supplemental Compensation Fund's Board of Directors. There were no material financial transactions with the Louisiana Clerks of Court Association during the years ended June 30, 2025 and 2024.

6. CERTAIN RISK DISCLOSURES:

Effective for fiscal years beginning after June 15, 2024, GASB Statement No. 102, *Certain Risk Disclosures*, requires disclosure of concentrations, constraints, and vulnerabilities that may impact the Fund's ability to provide services or meet obligations. Management has evaluated the Fund's activities as of June 30, 2025 and identified the following considerations:

- **Concentration of Revenues** – The Fund's primary source of revenue is statutory fees assessed on civil suits filed by Clerks of Court throughout Louisiana. Because revenues are dependent on the volume of civil filings, unfavorable economic or legislative conditions that reduce filing activity could materially affect future revenue.
- **Liquidity Constraints** – Supplemental payments to Clerks represent the Fund's most significant expense. Contribution timing and the liquidity profile of investments in LAMP are monitored to ensure adequate cash flow. While LAMP investments are highly liquid, any unforeseen delays in collections or statutory changes could require the Fund to adjust payment schedules.
- **Regulatory and Legislative Vulnerabilities** – The Fund is established and governed under Louisiana Revised Statute 13:761. Any amendments to state law, changes in court fee structures, or new legislative mandates could materially alter funding requirements or benefit provisions. Management monitors such developments to assess potential impact.

Management has concluded that, while these concentrations and constraints exist, no conditions currently rise to the level of substantial doubt about the Fund's ability to continue to meet its obligations in the near term.

CLERKS' SUPPLEMENTAL COMPENSATION FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE CHAIRMAN OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED JUNE 30, 2025

Chairman of the Board of Directors:
Shane LeBlanc

Per diem	\$ _____ -
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Total	<u><u>\$ _____ -</u></u>
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

September 29, 2025

Board of Directors of the
Clerks' Supplemental Compensation Fund
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Clerks' Supplemental Compensation Fund, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerks' Supplemental Compensation Fund's basic financial statements, and have issued our report thereon dated September 29, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Duplantier, Shapreau, Hogan and Okabe, LLP

Metairie, Louisiana

CLERKS' SUPPLEMENTAL COMPENSATION FUND
SUMMARY SCHEDULE OF AUDIT FINDINGS
JUNE 30, 2025

SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditor's report issued: Unmodified

Internal Control over financial reporting

Material weakness(es) – none

Control deficiencies identified that are not considered to be material weaknesses – none

Noncompliance material to financial statements - none

PRIOR YEAR AUDIT FINDINGS:

None