

**EAST BATON ROUGE PARISH  
CLERK OF COURT**

Financial Report

Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

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

### Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Clerk of Court (hereinafter "Clerk of Court"), as of and for the year ended June 30, 2022, 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.

### Qualified Opinion on the Aggregate Remaining Fund Information

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Clerk of Court, as of June 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Unmodified Opinions on the Governmental Activities and the Major Fund

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 major fund of the Clerk of Court, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Qualified and Unmodified 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 Clerk of Court, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

## Matter Giving Rise to the Qualified Opinion on the Aggregate Remaining Fund Information

Due to the Clerk of Court's inability to reconcile the individual suit balances in its Advanced Deposit Fund with the corresponding unsettled deposits liability recorded on its statement of fiduciary net position as June 30, 2022, we were unable to satisfy ourselves by any auditing procedures, as to the reasonableness of the accounts receivable and unsettled deposits account balances reported at June 30, 2022. The effect on the financial statements of not reconciling these individual suit balances cannot be reasonably determined.

## Responsibilities of Management 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, 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 Clerk of Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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. We 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 Clerk of Court's internal control. Accordingly, no such opinion is expressed. We 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. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk of Court's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## **Supplementary 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 comparative statements on pages 47 and 48 and the justice system funding schedules on pages 52 through 55, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements and justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative information was derived from the Clerk of Court's 2021 financial statements, which were 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, and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole from which they have been derived.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules on pages 49 through 51 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 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 Clerk of Court's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
October 3, 2023

## **BASIC FINANCIAL STATEMENTS**



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

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Statement of Net Position  
June 30, 2022

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 17,821,380
Receivables, net	<u>105,823</u>
Total current assets	17,927,203
Noncurrent assets:	
Capital assets, net	<u>1,510,606</u>
TOTAL ASSETS	<u>19,437,809</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pension	5,749,390
Deferred outflows of resources related to postemployment benefit obligation	<u>6,456,550</u>
Total deferred outflows of resources	<u>12,205,940</u>
Current liabilities:	
Accounts payable	231,110
Accrued expenses	24,191
Accrued payroll liabilities	502,166
Accrued health insurance claims	274,211
Due to other governments	<u>169,260</u>
Total current liabilities	<u>1,200,938</u>
Noncurrent liabilities:	
Compensated absences	995,197
Net OPEB obligation	45,260,501
Net pension liability	<u>11,189,367</u>
Total noncurrent liabilities	<u>57,445,065</u>
TOTAL LIABILITIES	<u>58,646,003</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pension	5,136,942
Deferred inflows of resources related to postemployment benefit obligation	<u>15,458,586</u>
Total deferred inflows of resources	<u>20,595,528</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,510,606
Unrestricted (deficit)	<u>(49,108,388)</u>
TOTAL NET POSITION	<u>\$ (47,597,782)</u>

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

EAST BATON ROUGE CLERK OF COURT  
Baton Rouge, Louisiana

Statement of Activities  
For the Year Ended June 30, 2022

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 22,049,310</u>	<u>\$ 18,635,398</u>	<u>\$ 249,025</u>	<u>\$ (3,164,887)</u>
	General revenues:			
	Interest and investment earnings			105,732
	Non-employer pension contribution			<u>1,012,017</u>
	Total general revenues			<u>1,117,749</u>
	Change in net position			(2,047,138)
	Net position (deficit) - July 1, 2021			<u>(45,550,644)</u>
	Net position (deficit) - June 30, 2022			<u>\$ (47,597,782)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

EAST BATON ROUGE CLERK OF COURT  
Baton Rouge, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2022

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 17,821,380
Accounts receivable, net	<u>105,823</u>
 Total assets	 <u>\$ 17,927,203</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 231,110
Accrued expenses	24,191
Accrued payroll liabilities	502,166
Accrued health insurance claims	274,211
Due to other governments	<u>169,260</u>
Total liabilities	<u>1,200,938</u>
 Fund balance:	
Unassigned	<u>16,726,265</u>
 Total liabilities and fund balance	 <u>\$ 17,927,203</u>

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

EAST BATON ROUGE CLERK OF COURT  
Baton Rouge, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2022

Total fund balance for the governmental fund at June 30, 2022 \$ 16,726,265

Total net position reported for governmental activities in the statements of net position is different because:

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

Capital assets, net 1,510,606

The deferred outflows of contributions for the clerk employees' retirement system are not a use of current resources and, therefore, are not reported in the governmental funds.

5,749,390

The deferred outflows of expenditures for the postemployment benefit obligation are not a use of current resources and, therefore, are not reported in the governmental funds.

6,456,550

Long-term liabilities are not payable from current resources and, therefore, are not reported in the governmental funds.

Long-term liabilities at June 30, 2022 consist of:

Compensated absences payable	\$ (995,197)	
Net OPEB obligation payable	(45,260,501)	
Net pension payable	<u>(11,189,367)</u>	(57,445,065)

The deferred inflows of contributions for the clerk employees' retirement system are not available resources and, therefore, are not reported in the governmental funds.

(5,136,942)

The deferred inflows of contributions for the postemployment benefit obligation are not available resources and, therefore, are not reported in the governmental funds.

(15,458,586)

Net position (deficit) at June 30, 2022 \$ (47,597,782)

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

EAST BATON ROUGE CLERK OF COURT  
Baton Rouge, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
For the Year Ended June 30, 2022

	<u>General Fund</u>
<b>Revenues:</b>	
<b>Fees, charges and commissions for services:</b>	
Recordings	\$ 7,849,200
Uniform Commercial Code fees	171,856
Cancellations	909,675
Mortgage certificates	288,874
Court attendance	5,580
Court minute fees	39,812
Photocopies	1,535,133
Fines and forfeitures	243,415
Suits and successions	7,001,723
Other fees	486,650
Intergovernmental	249,025
Licenses	103,482
Interest revenue	105,732
Total revenues	18,990,157
 <b>Expenditures:</b>	
<b>Current -</b>	
Personnel services and related benefits	15,946,088
Materials and supplies	329,873
Operating services	1,336,840
Auto and travel	23,871
Capital outlay	484,621
Total expenditures	18,121,293
Excess of revenues over expenditures	868,864
 Fund balance, beginning of year	15,857,401
 Fund balance, end of year	\$ 16,726,265

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

EAST BATON ROUGE CLERK OF COURT  
Baton Rouge, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2022

Total net change in fund balance for the year ended June 30, 2022 per Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 868,864
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The change in net position reported for governmental activities in the  
statement of activities is different because:

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

Capital outlay	\$ 484,621	
Depreciation Expense	<u>(169,667)</u>	314,954

Some expenses reported in the statement of activities do not require the use  
of current financial resources and therefore are not reported as  
expenditures in the governmental fund:

Compensated absences	(5,855)	
OPEB benefits	(3,473,174)	
Pension expense	<u>(763,944)</u>	(4,242,973)

Nonemployer's contributions to the Louisiana Clerk's of Court Retirement and Relief Fund	<u>1,012,017</u>
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Total change in net position for the year ended June 30, 2022 per Statement of Activities	<u>\$ (2,047,138)</u>
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The accompanying notes are an integral part of the basic financial statements.



EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash	\$ 61,100,722
Interest-bearing deposits	18,122,872
Accounts receivable	2,472,714
Other	<u>212</u>
Total assets	<u>\$ 81,696,520</u>
<b>NET POSITION</b>	
Restricted for litigants and others	<u>\$ 81,696,520</u>

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

**EAST BATON ROUGE PARISH CLERK OF COURT**  
**Baton Rouge, Louisiana**

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

	<u>Custodial Funds</u>
<b>Additions:</b>	
Suits and successions	\$ 13,842,719
Judgments	11,818,142
Interest earned	<u>19,650</u>
Total additions	<u>25,680,511</u>
<b>Reductions:</b>	
Clerk's costs (transferred to General Fund)	6,997,778
Settlements to litigants	4,071,249
Refunds	2,079,976
Sheriff's fees	1,677,788
Judicial expense fund	5,402,249
Adjustment to accounts receivable	(1,317,373)
Other reductions	<u>1,140,693</u>
Total reductions	<u>20,052,360</u>
Net increase in fiduciary net position	5,628,151
Net position - beginning	<u>76,068,369</u>
Net position - ending	<u>\$ 81,696,520</u>

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

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies.

The accompanying financial statements of the East Baton Rouge Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Organization and Nature of Operations

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Statement Presentation

The accompanying basic financial statements of the Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

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

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

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

The major fund of the Clerk of Court is described below:

Governmental Fund -

General Fund

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

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Fiduciary Funds -

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

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

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

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

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows, of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

Cash and interest-bearing deposits

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

Investments

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

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include fees and charges paid by the recipients for goods or services offered by the programs.

Capital Assets

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

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives for furniture, equipment, and improvements range from five to ten years.

Compensated Absences

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

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

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

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

At June 30, 2022, employees of the Clerk had accumulated and vested \$995,197 of annual leave benefits, which was computed in accordance with professional standards.

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Clerk of Court's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two above components and is available for general use by the Clerk of Court.

In the fund financial statements, governmental fund equity is classified as fund balance. As such fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Clerk of Court.



EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk of Court’s adopted policy only the Clerk of Court may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Clerk of Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk of Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk of Court has provided otherwise in his commitment or assignment actions.

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund’s fund balance that exceeds one-half of the revenues of the clerk’s last year of his term of office. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2022, there was no amount due to the parish treasurer because the General Fund’s fund balance at June 30, 2022 did not exceed one-half of the revenues of the General Fund for the last year of the clerk’s four-year term of office.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character and Function

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

F. Clerk’s Fees Transferred from Advance Deposit Agency Fund

These fees represent revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants and standard fees charged on suits. These fees are collected by a transfer of litigant’s money deposited in the Advance Deposit Fund to the General Fund.

G. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022 , the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$97,044,974 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash	\$ 3,925	\$ 61,100,722	\$ 61,104,647
Time and money market deposits	17,817,455	18,122,872	35,940,327
Total	\$17,821,380	\$ 79,223,594	\$ 97,044,974

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court’s deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

The following is a summary of deposit balances (bank balances) at June 30, 2022, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 98,992,928</u>
Federal insurance	\$ 32,883,824
Pledged securities	<u>66,109,104</u>
Total federal insurance and pledged securities	<u>\$ 98,992,928</u>

Deposits in the amount of \$66,109,104 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Clerk of Court's name. The Clerk of Court does not have a formal written policy for custodial credit risk.

(3) Accounts Receivable

Accounts receivable at June 30, 2022 consisted of the following:

General Fund:	
Trade accounts, net	\$ 75,573
Miscellaneous	17,661
NSF checks	<u>12,589</u>
Total account receivable, net	<u>\$ 105,823</u>

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2022 is as follows:

	Balance 07/01/21	Additions	Deletions	Balance 06/30/22
Furniture, equipment, and improvements	\$9,224,636	\$ 484,621	\$ 6,302	\$9,702,955
Less: Accumulated depreciation	<u>8,028,984</u>	<u>169,667</u>	<u>6,302</u>	<u>8,192,349</u>
Net capital assets	<u>\$1,195,652</u>	<u>\$ 314,954</u>	<u>\$ -</u>	<u>\$1,510,606</u>

Depreciation expense of \$169,667 was charged to the general government function in the Statement of Activities.

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

(5) Payables

Accounts payable at June 30, 2022 consisted of the following:

Accounts payable:		
Trade payables	\$	87,379
Escrow accounts		143,731
Total accounts payable		\$ 231,110
Due to other governments:		
Due to 19th Judicial District Court		
Judicial Expense Building Fund		\$ 169,260

(6) Changes in Compensated Absences

The following is a summary of compensated absences transactions of the Clerk of Court for the year ended June 30, 2022:

	Balance 07/01/21	Additions	Reductions	Balance 06/30/22
Governmental activities:				
Compensated absences	\$ 989,342	\$ 49,760	\$ 43,905	\$ 995,197

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

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

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

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

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

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

Employees covered by benefit terms- At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	85
Inactive employees entitled to but not yet receiving benefit terms	-
Active employees	<u>130</u>
Total	<u>215</u>

**Total OPEB Liability**

The Clerk's total OPEB liability of \$45,260,501 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial assumptions and other inputs- The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases, including inflation	3.00%
Discount Rate	3.69%
Prior year discount rate	1.92%
Retirees' share of benefit-related costs	None

The discount rate was based on the 6/30/2022 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table for males and females, as appropriate, with generational adjustments for mortality improvement based on Scale MP-2021.

Mortality rates for retirees were based on the PubG.H-2010 Healthy Annuitant Mortality Table for males and females, as appropriate, with generational adjustments for mortality improvement on Scale MP-2021.

Mortality rates for disabled retirees were based on the PubG.H-2010 Disable Mortality Table for males and females, as appropriate, with generational adjustments for mortality improvement on Scale MP-2021.

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Changes in Total OPEB Liability**

Balance at June, 30 2021	<u>\$ 63,720,874</u>
Changes for the year:	
Service Cost	1,136,285
Interest	1,231,007
Differences between expected and actual experience	(1,902,974)
Changes in assumptions/inputs	(17,420,258)
Benefit payments	<u>(1,504,433)</u>
Net changes	<u>(18,460,373)</u>
Balance at June 30, 2022	<u>\$ 45,260,501</u>

Sensitivity of the total OPEB liability to changes in the discount rate- The following presents the total OPEB liability to the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.69% or 1-percentage-point higher 4.69% than the current discount rate:

	1% Decrease 2.69%	Discount Rate 3.69%	1% Increase 4.69%
Total OPEB Liability	<u>\$54,442,737</u>	<u>\$ 45,260,501</u>	<u>\$39,391,175</u>

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	<u>\$38,707,136</u>	<u>\$ 45,260,501</u>	<u>\$55,627,641</u>

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

For the year ended June 30, 2022, the Clerk recognized an OPEB expense of \$4,977,606. At June 30, 2022, the Clerk reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,258,359	\$ 1,522,379
Changes of assumptions or other inputs	<u>4,198,191</u>	<u>13,936,207</u>
Total	<u>\$ 6,456,550</u>	<u>\$ 15,458,586</u>

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Notes to the Basic Financial Statements (Continued)

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

Year Ended June 30,		
2023	\$	1,174,619
2024		(2,447,363)
2025		(3,864,646)
2026		<u>(3,864,646)</u>
Total		<u>\$ (9,002,036)</u>

(8) Pension Plan

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

Plan Description: Substantially all employees of the Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund (Fund), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

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

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund that may be accessed on their website as follows:

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

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Retirement Benefits:**

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

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

**Disability Benefits:**

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

- a. A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- b. A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.



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Notes to the Basic Financial Statements (Continued)

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

- a. The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- b. The member has at least ten years of service credit.

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

- a. Forty percent of their monthly average final compensation.
- b. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

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

**Survivor Benefits:**

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced 1/4 of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid 1/2 of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

**Deferred Retirement Option Plan:**

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. During the year ended June 30, 2007 participants had to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan.

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Notes to the Basic Financial Statements (Continued)

The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation.

The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

**Cost of Living Adjustments:**

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

**Contributions:**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the actual employer contribution rate was 22.25%.

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

EAST BATON ROUGE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Schedule of Employer Allocations:**

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

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2021 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2021.

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:

Asset Class	LACRF*	
	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income:		
Domestic bonds	25.00%	2.50%
International bonds		3.50%
Domestic Equity	38.00%	7.50%
International Equity	22.00%	8.50%
Real Estate	15.00%	4.50%
Total	100.00%	

\*Arithmetic real rates of return

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

At June 30, 2022, the Clerk reported a liability of \$11,189,367 for its proportionate share of the net pension liability. The net pension liability was measured as of 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's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Clerk's proportion was 8.411550%, which was an increase of .529777% from its proportion measured as of June 30, 2020.

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Notes to the Basic Financial Statements (Continued)

For the year ended June 30, 2022, the Clerk recognized pension expense of \$2,706,350 in addition to prior year employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$10,510. At June 30, 2022, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 311,939	\$ 187,743
Change of assumptions	2,415,618	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,079,426	-
Net differences between projected and actual earnings on plan investments	-	4,949,199
Contributions subsequent to the measurement date	1,942,407	-
Total	\$ 5,749,390	\$ 5,136,942

Deferred outflows of resources of \$1,942,407 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2023	\$ 557,877
2024	101,238
2025	(399,987)
2026	(1,589,087)
Total	\$ (1,329,959)

**Schedule of Pension Amounts by Employer:**

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

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Notes to the Basic Financial Statements (Continued)

**Actuarial Methods and Assumptions:**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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

The actuarial assumptions used are based on the assumptions used in the 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 through June 30, 2019, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

The discount rate used to measure the total pension liability was 6.55%. 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 to Changes in Discount Rate:**

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.55%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.55%) or one percentage point higher (7.55%) than the current rate.

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
Net Pension Liability	\$ 19,723,679	\$ 11,189,367	\$ 4,000,622

**Contributions – Proportionate Share:**

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

As of June 30, 2022, the Clerk did not owe any amounts to the Louisiana Clerks' of Court Retirement and Relief Fund.

(9) Risk Management

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

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

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

The Clerk provides health care benefits for its employees through its self-funded employee medical benefit plan. This program provides employee health benefit coverage up to \$125,000 per insured per year. The Clerk purchases commercial insurance for claims in excess of this annual threshold. Several claims exceeded the commercial threshold during the fiscal year ended June 30, 2022.

The claims liabilities of \$274,211 reported at June 30, 2022, is based on the requirement of Government Accounting Standards Board Statement 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

Unpaid claims and claim adjustment expenses at beginning of year	<u>\$ 434,593</u>
Incurred claims and claim adjustment expenses:	
Provision for insured events of the current fiscal year	3,187,605
Increase (decrease) in provision for insured events of prior fiscal years	<u>75,247</u>
Total incurred claims and claim adjustment expenses	<u>3,262,852</u>
Payments:	
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	2,913,394
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>509,840</u>
Total payments	<u>3,423,234</u>
Unpaid claims and claim adjustment expenses at end of year	<u>\$ 274,211</u>

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

(10) Deferred Compensation Plan

The Clerk offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan administered by the Louisiana Deferred Compensation Commission. The plan, regulated under the provisions of Title 32, Part VII of the Louisiana Administrative Code, is a defined contribution plan established in accordance with the Internal Revenue Code Section 457. The plan is a retirement savings plan allowing eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax and/or after-tax dollars through a voluntary salary contribution.

Contributions to Section 457 plans are determined by the U.S. Department of the Treasury's Internal Revenue Service. In 2022, participants in the plan may contribute up to 100% of earnable compensation or \$20,500, whichever is less. Participants in the plan have two different options to catch-up and contribute when nearing retirement. In the three calendar years prior to normal retirement age, the special catch-up allows participants to contribute up to \$41,000 in 2022. Also participants who were age 50 or older by the end of the calendar year are eligible to make additional catch-up contributions of up to \$6,500.

The Clerk has opted to match participating employees' elective deferrals up to 6%. For the year ended June 30, 2022, the Clerk contributed \$181,125 to the plan.

Participant and on-behalf Clerk contributions to the plan may be invested in a variety of investment options broadly diversified with distinct risk and return characteristics. Self-directed brokerage and managed account options are available. Contributions and investment earnings are always 100% vested.

No amounts were payable to the plan at June 30, 2022.

The plan has issued a standalone audit report of their financial statements. Access to the report can be located on the website of the Louisiana Legislative Auditor, [www.la.la.gov](http://www.la.la.gov), or the Louisiana Public Employees Deferred Compensation Plan, LouisianaDCP.com.

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

Certain operating expenditures of the Clerk's office are paid by the City of Baton Rouge/Parish of East Baton Rouge and are not included in the accompanying financial statements. The City Parish government paid juror and witness fees expenditures of \$567,137 for the year ending June 30, 2022.

(12) Litigation

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



EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to the Basic Financial Statements (Continued)

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

The schedule of compensation, benefits, and other payments to Doug Welborn, Clerk of Court, for the year ended June 30, 2022 follows:

Salary	\$ 162,847
Expense allowance	15,978
Benefits - insurance	2,279
Benefits - retirement	14,501
Benefits - deferred compensation	13,000
Vehicle Allowance	26,068
Per diem	1,024
Registration fees	1,250
Conference travel- hotel	2,499
Total	<u>\$ 239,446</u>

**REQUIRED  
SUPPLEMENTARY INFORMATION**

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2022

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Fees, charges and commissions for services:				
Recordings	\$ 8,000,000	\$ 8,000,000	\$ 7,849,200	\$ (150,800)
Uniform Commercial Code fees	284,000	284,000	171,856	(112,144)
Cancellations	700,000	700,000	909,675	209,675
Mortgage certificates	223,000	223,000	288,874	65,874
Court attendance	42,000	42,000	5,580	(36,420)
Court minute fees	-	-	39,812	39,812
Photocopies	1,471,000	1,471,000	1,535,133	64,133
Fines and forfeitures	272,000	272,000	243,415	(28,585)
Suits and successions	7,900,000	7,900,000	7,001,723	(898,277)
Other fees	460,400	460,400	486,650	26,250
Intergovernmental	80,000	80,000	249,025	169,025
Licenses	104,000	104,000	103,482	(518)
Interest revenue	132,000	132,000	105,732	(26,268)
Total revenues	<u>19,668,400</u>	<u>19,668,400</u>	<u>18,990,157</u>	<u>(678,243)</u>
<b>Expenditures:</b>				
Current -				
General government:				
Personnel services and related benefits	15,933,800	15,933,800	15,946,088	(12,288)
Materials and supplies	264,000	264,000	329,873	(65,873)
Operating services	1,430,000	1,430,000	1,336,840	93,160
Auto and travel	10,000	10,000	23,871	(13,871)
Capital outlay	815,000	815,000	484,621	330,379
Total expenditures	<u>18,452,800</u>	<u>18,452,800</u>	<u>18,121,293</u>	<u>331,507</u>
Excess of revenues over expenditures	1,215,600	1,215,600	868,864	(346,736)
Fund balance, beginning of year	<u>15,857,401</u>	<u>15,857,401</u>	<u>15,857,401</u>	<u>-</u>
Fund balance, end of year	<u>\$ 17,073,001</u>	<u>\$ 17,073,001</u>	<u>\$ 16,726,265</u>	<u>\$ (346,736)</u>

See notes to the required supplementary information.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2022

<b>Total OPEB Liability</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 1,136,285	\$ 889,765	\$ 530,879	\$ 413,179	\$ 401,145
Interest	1,231,007	1,403,208	1,318,581	1,137,952	1,297,239
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,902,974)	1,026,471	6,980,495	765,913	60,429
Changes in assumptions or other inputs	(17,420,258)	4,642,667	7,507,429	4,976,865	-
Benefit payments	<u>(1,504,433)</u>	<u>(1,250,543)</u>	<u>(1,768,086)</u>	<u>(1,524,370)</u>	<u>(1,045,039)</u>
Net changes	(18,460,373)	6,711,568	14,569,298	5,769,539	713,774
Total OPEB liability - beginning	<u>63,720,874</u>	<u>57,009,306</u>	<u>42,440,008</u>	<u>36,670,469</u>	<u>35,956,695</u>
Total OPEB liability - ending	<u>\$45,260,501</u>	<u>\$63,720,874</u>	<u>\$57,009,306</u>	<u>\$42,440,008</u>	<u>\$36,670,469</u>
Covered employee payroll	\$11,016,512	\$ 8,128,088	\$ 7,891,348	\$ 7,066,594	\$ 6,860,771
Total OPEB liability as a percentage of covered-employee payroll	410.84%	783.96%	722.43%	600.60%	534.50%

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

See notes to the required supplementary information.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2022\*

Year ended June 30,	Employer Proportion of the Net Pension Liability	Employer Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	7.968925%	\$ 10,748,977	\$ 6,214,037	173.0%	79.37%
2016	7.756947%	11,635,665	7,016,215	165.8%	78.13%
2017	7.099309%	13,133,537	6,480,345	202.7%	74.17%
2018	7.121090%	10,773,736	6,407,966	168.1%	79.69%
2019	7.488328%	12,455,340	6,950,031	179.2%	79.07%
2020	7.763423%	14,098,313	7,817,016	180.4%	77.93%
2021	7.881773%	18,962,482	8,489,981	223.4%	72.09%
2022	8.411550%	11,189,367	8,705,968	128.5%	85.40%

\* The amounts presented have a measurement date of the previous fiscal year end.

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

See notes to the required supplementary information.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Louisiana Clerks' of Court Retirement and Relief Fund  
Schedule of Employer Contributions  
For the Year Ended June 30, 2022

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 1,333,081	\$ 1,333,081	\$ -	\$ 7,016,215	19.00%
2016	1,231,266	1,231,266	-	6,480,345	19.00%
2017	1,217,514	1,217,514	-	6,407,966	19.00%
2018	1,320,506	1,320,506	-	6,950,031	19.00%
2019	1,439,394	1,439,394	-	7,575,758	19.00%
2020	1,485,233	1,485,233	-	7,817,016	19.00%
2021	1,782,896	1,782,896	-	8,489,981	21.00%
2022	1,937,078	1,937,078	-	8,705,968	22.25%

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

See notes to the required supplementary information.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to Required Supplementary Information  
For the Year Ended June 30, 2022

(1) Budgets and Budgetary Accounting

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

- a. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

(2) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized on pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increases, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Other Postemployment Benefits

- A. Benefit Changes – There were no changes of benefit terms.
- B. Changes of Assumptions –
  - a. The discount rate increased from 1.92% at June 30, 2021 to 3.69% at June 30, 2022.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Notes to Required Supplementary Information (Continued)  
For the Year Ended June 30, 2022

(4) Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, the following fund had actual expenditures over appropriations, at the functional level as follows:

<u>Fund and Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General government:			
Materials and supplies	\$ 264,000	\$ 329,873	\$(65,873)
Auto and Travel	10,000	49,939	(39,939)



**OTHER  
SUPPLEMENTARY INFORMATION**

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

Comparative Statement of Net Position  
June 30, 2022 and 2021

	Governmental Activities	
	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 17,821,380	\$ 17,213,286
Receivables, net	105,823	114,789
Total current assets	17,927,203	17,328,075
Noncurrent assets:		
Capital assets, net	1,510,606	1,195,652
Total assets	19,437,809	18,523,727
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pension	5,749,390	8,372,048
Deferred outflows of resources related to postemployment benefit obligation	6,456,550	12,931,511
Total deferred outflows of resources	12,205,940	21,303,559
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	231,110	345,394
Accrued expenses	24,191	24,191
Accrued payroll liabilities	502,166	453,016
Accrued health insurance claims	274,211	434,593
Due to other governments	169,260	213,480
Total current liabilities	1,200,938	1,470,674
Noncurrent liabilities:		
Compensated absences payable	995,197	989,342
Net OPEB obligation	45,260,501	63,720,874
Net pension liability	11,189,367	18,962,482
Total noncurrent liabilities	57,445,065	83,672,698
Total liabilities	58,646,003	85,143,372
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pension	5,136,942	234,558
Deferred inflows of resources related to postemployment benefit obligation	15,458,586	-
Total deferred inflows of resources	20,595,528	234,558
<b>NET POSITION</b>		
Net investment in capital assets	1,510,606	1,195,652
Unrestricted net position (deficit)	(49,108,388)	(46,746,296)
Total net position	\$ (47,597,782)	\$ (45,550,644)

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

Comparative Balance Sheet  
June 30, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$ 17,821,380	\$ 17,213,286
Accounts receivable, net	105,823	114,789
Total assets	\$ 17,927,203	\$ 17,328,075
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 231,110	\$ 345,394
Accrued expenses	24,191	24,191
Accrued payroll liabilities	502,166	453,016
Accrued health insurance claims	274,211	434,593
Due to other governments	169,260	213,480
Total liabilities	1,200,938	1,470,674
<b>Fund balance:</b>		
Unassigned	16,726,265	15,857,401
Total liabilities and fund balance	\$ 17,927,203	\$ 17,328,075

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

Budgetary Comparison Schedule -  
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022  
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
<b>Revenues:</b>					
Fees, charges and commissions for services:					
Recordings	\$ 8,000,000	\$ 8,000,000	\$ 7,849,200	\$ (150,800)	\$ 8,426,174
Uniform Commercial Code fees	284,000	284,000	171,856	(112,144)	270,960
Cancellations	700,000	700,000	909,675	209,675	1,060,110
Mortgage certificates	223,000	223,000	288,874	65,874	231,241
Court attendance	42,000	42,000	5,580	(36,420)	11,037
Court minute fees	-	-	39,812	39,812	44,352
Photocopies	1,471,000	1,471,000	1,535,133	64,133	1,484,623
Fines and forfeitures	272,000	272,000	243,415	(28,585)	306,902
Suits and successions	7,900,000	7,900,000	7,001,723	(898,277)	7,908,345
Other fees	460,400	460,400	486,650	26,250	509,648
Intergovernmental	80,000	80,000	249,025	169,025	310,877
Licenses	104,000	104,000	103,482	(518)	98,846
Interest revenue	132,000	132,000	105,732	(26,268)	182,051
<b>Total revenues</b>	<u>19,668,400</u>	<u>19,668,400</u>	<u>18,990,157</u>	<u>(678,243)</u>	<u>20,845,166</u>
<b>Expenditures:</b>					
Current -					
General government:					
Personnel services and related benefits	15,933,800	15,933,800	15,946,088	(12,288)	14,660,631
Materials and supplies	264,000	264,000	329,873	(65,873)	262,070
Operating services	1,430,000	1,430,000	1,336,840	93,160	1,305,193
Auto and travel	10,000	10,000	23,871	(13,871)	14,340
Capital outlay	815,000	815,000	484,621	330,379	1,244
<b>Total expenditures</b>	<u>18,452,800</u>	<u>18,452,800</u>	<u>18,121,293</u>	<u>331,507</u>	<u>16,243,478</u>
<b>Excess of revenues over expenditures</b>	1,215,600	1,215,600	868,864	(346,736)	4,601,688
Fund balance, beginning of year	<u>15,857,401</u>	<u>15,857,401</u>	<u>15,857,401</u>	-	<u>11,255,713</u>
Fund balance, end of year	<u>\$ 17,073,001</u>	<u>\$ 17,073,001</u>	<u>\$ 16,726,265</u>	<u>\$ (346,736)</u>	<u>\$ 15,857,401</u>

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

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2022  
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Budget		Actual	Variance - Positive (Negative)	2021 Actual
	Original	Final			
<b>Fees, charges, and commissions for services:</b>					
Recordings	\$ 8,000,000	\$ 8,000,000	\$ 7,849,200	\$ (150,800)	\$ 8,426,174
Uniform Commercial Code fees	284,000	284,000	171,856	(112,144)	270,960
Cancellations	700,000	700,000	909,675	209,675	1,060,110
Mortgage certificates	223,000	223,000	288,874	65,874	231,241
Court attendance	42,000	42,000	5,580	(36,420)	11,037
Court minute fees	-	-	39,812	39,812	44,352
Photocopies	1,471,000	1,471,000	1,535,133	64,133	1,484,623
Fines and forfeitures	272,000	272,000	243,415	(28,585)	306,902
Suits and successions	7,900,000	7,900,000	7,001,723	(898,277)	7,908,345
<b>Other fees:</b>					
Passports	80,000	80,000	143,531	63,531	82,766
Extract of court minutes	36,000	36,000	32,270	(3,730)	35,460
Credit card fees	78,000	78,000	71,487	(6,513)	79,297
Portal fees	200,000	200,000	181,040	(18,960)	202,548
Miscellaneous	66,400	66,400	58,322	(8,078)	109,577
Total fees, charges, and commissions for services	<u>19,352,400</u>	<u>19,352,400</u>	<u>18,531,918</u>	<u>(820,482)</u>	<u>20,253,392</u>
<b>Intergovernmental:</b>					
Reimbursed election expenses	-	-	102,572	102,572	236,770
City/Parish budget allocation	80,000	80,000	146,453	66,453	74,107
Total intergovernmental	<u>80,000</u>	<u>80,000</u>	<u>249,025</u>	<u>169,025</u>	<u>310,877</u>
Licenses	<u>104,000</u>	<u>104,000</u>	<u>103,482</u>	<u>(518)</u>	<u>98,846</u>
Interest revenue	<u>132,000</u>	<u>132,000</u>	<u>105,732</u>	<u>(26,268)</u>	<u>182,051</u>
Total revenues	<u>\$ 19,668,400</u>	<u>\$ 19,668,400</u>	<u>\$ 18,990,157</u>	<u>\$ (678,243)</u>	<u>\$ 20,845,166</u>

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

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2022  
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance - Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
<b>Expenditures:</b>					
<b>Current -</b>					
<b>Personnel services and related benefits:</b>					
Salaries	\$ 9,027,000	\$ 9,027,000	\$ 9,307,978	\$ (280,978)	\$ 8,884,970
Clerk's expense allowance	16,000	16,000	16,000	-	15,979
Clerk's auto allowance	30,000	30,000	26,068	3,932	26,068
Clerk's supplemental fund	64,800	64,800	65,900	(1,100)	64,000
Payroll taxes	143,000	143,000	146,471	(3,471)	142,077
Retirement	2,575,000	2,575,000	2,552,222	22,778	2,441,125
Group insurance	4,060,000	4,060,000	3,813,764	246,236	3,073,463
Worker's compensation	15,000	15,000	7,402	7,598	13,143
Unemployment	3,000	3,000	10,283	(7,283)	(194)
<b>Total personnel services and related benefits</b>	<b>15,933,800</b>	<b>15,933,800</b>	<b>15,946,088</b>	<b>(12,288)</b>	<b>14,660,631</b>
<b>Materials and supplies:</b>					
Printing and binding	40,000	40,000	49,068	(9,068)	39,891
Judges' supplies	30,000	30,000	4,314	25,686	9,700
Computer expenses	74,000	74,000	177,951	(103,951)	57,458
Office supplies	115,000	115,000	92,557	22,443	111,208
Repairs and maintenance	5,000	5,000	5,983	(983)	43,813
<b>Total materials and supplies</b>	<b>264,000</b>	<b>264,000</b>	<b>329,873</b>	<b>(65,873)</b>	<b>262,070</b>
<b>Operating services:</b>					
Accounting	175,000	175,000	172,435	2,565	173,938
Advertising	1,000	1,000	52	948	18
Archives and record retention	134,000	134,000	133,619	381	130,548
Computer software and services	460,000	460,000	412,261	47,739	349,105
Insurance	80,000	80,000	79,110	890	21,654
Legal	160,000	160,000	90,608	69,392	168,250
Postage	160,000	160,000	158,800	1,200	173,941
Telephone	55,000	55,000	53,632	1,368	59,093
Equipment rental and leases	50,000	50,000	1,009	48,991	41,009
Credit card fees	82,000	82,000	99,261	(17,261)	82,136
Miscellaneous	73,000	73,000	136,053	(63,053)	105,501
<b>Total operating services</b>	<b>1,430,000</b>	<b>1,430,000</b>	<b>1,336,840</b>	<b>93,160</b>	<b>1,305,193</b>
Auto and travel	10,000	10,000	23,871	(13,871)	14,340
Capital outlay	815,000	815,000	484,621	330,379	1,244
<b>Total expenditures</b>	<b>\$ 18,452,800</b>	<b>\$ 18,452,800</b>	<b>\$ 18,121,293</b>	<b>\$ 331,507</b>	<b>\$ 16,243,478</b>

EAST BATON ROUGE CLERK OF COURT  
Baton Rouge, Louisiana

Justice System Funding Schedule - Receiving Entity  
Year Ended June 30, 2022

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/2021</b>	<b>Second Six Month Period Ended 6/30/2022</b>
Receipts from:		
Criminal Fines (Other) - East Baton Rouge Sheriff	\$ 74,164	\$ 72,955
Interest Earnings on Collected Balances	<u>16,697</u>	<u>16,424</u>
 Total Receipts	 <u>\$ 90,861</u>	 <u>\$ 89,379</u>

EAST BATON ROUGE CLERK OF COURT

Baton Rouge, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity

Year Ended June 30, 2022

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
<b>Cash Basis Presentation</b>		
Beginning Balance of Amounts Collected	<u>\$ 47,936,350</u>	<u>\$ 48,682,181</u>
Add: Collections		
Civil Fees	<u>9,797,362</u>	<u>9,637,622</u>
Subtotal Collections	<u>9,797,362</u>	<u>9,637,622</u>
Less: Disbursements to Governments and Nonprofits		
Civil Fees -		
Baton Rouge Bar Association	16,528	18,503
Capital City Press-EBR Parish	143	-
Commissioner of Insurance	605	650
EBR Parish Jury Fee	9,534	27,309
Family Court of EBR-Family Expense	62,237	59,606
First Circuit Court of Appeal	18,636	15,163
Judicial Expense Fund	2,512,996	2,823,796
Juvenile Expense Fund	10,525	34,833
LA Dept of Treasury-Unclaimed	150,067	25,696
LA Supreme Court-Civil Case	7,765	8,630
LA Supreme Court-Judicial College	3,456	4,038
LA State Treasurer	195,964	199,801
Secretary of State	103,700	113,625
State Treasury Office-Fiscal	8,740	9,450
Acadia Parish Sheriff	352	362
Allen Parish Sheriff	50	51
Ascension Parish Sheriff	17,672	14,040
Assumption Parish Sheriff	581	387
Avoyelles Parish Sheriff	526	704
Beauregard Parish Sheriff	30	31
Bienville Parish Sheriff	34	40
Bossier Parish Sheriff	524	1,033
Caddo Parish Sheriff	2,541	3,595
Calcasieu Parish Sheriff	2,254	1,691
Cameron Parish Sheriff	-	-
Catahoula Parish Sheriff	173	26
Claiborne Parish Sheriff	30	30
Concordia Parish Sheriff	297	109

(continued)



## EAST BATON ROUGE CLERK OF COURT

Baton Rouge, Louisiana

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

Year Ended June 30, 2022

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
Desoto Parish Sheriff	59	109
East Baton Rouge Parish Sheriff	673,755	717,219
East Carroll Parish Sheriff	36	-
East Feliciana Parish Sheriff	2,043	1,277
Evangeline Parish Sheriff	243	72
Franklin Parish Sheriff	98	153
Grant Parish Sheriff	129	104
Iberia Parish Sheriff	770	680
Iberville Parish Sheriff	2,094	2,850
Jackson Parish Sheriff	69	102
Jefferson Davis Parish Sheriff	251	90
Jefferson Parish Sheriff	15,880	16,980
Lafayette Parish Sheriff	11,126	9,901
Lafourche Parish Sheriff	842	1,114
Lasalle Parish Sheriff	47	-
Lincoln Parish Sheriff	506	364
Livingston Parish Sheriff	17,110	16,327
Madison Parish Sheriff	30	100
Morehouse Parish Sheriff	60	74
Natchitoches Parish Sheriff	360	24
Orleans Parish Sheriff	17,460	21,406
Ouachita Parish Sheriff	1,344	696
Plaquemines Parish Sheriff	230	300
Pointe Coupee Parish Sheriff	2,154	2,038
Rapides Parish Sheriff	2,318	1,709
Red River Parish Sheriff	64	-
Richland Parish Sheriff	60	-
Sabine Parish Sheriff	-	107
St Bernard Parish Sheriff	533	885
St Charles Parish Sheriff	792	976
St Helena Parish Sheriff	1,642	1,449
St James Parish Sheriff	469	429
St John The Baptist Parish Sheriff	767	992
St Landry Parish Sheriff	643	671
St Martin Parish Sheriff	416	1,013
St Mary Parish Sheriff	797	843
St Tammany Parish Sheriff	15,201	16,926
Tangipahoa Parish Sheriff	10,621	12,656

(continued)

EAST BATON ROUGE CLERK OF COURT  
Baton Rouge, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity (Continued)  
Year Ended June 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Tensas Parish Sheriff	-	30
Terrebonne Parish Sheriff	2,214	4,064
Union Parish Sheriff	60	-
Vermillion Parish Sheriff	652	564
Vernon Parish Sheriff	170	134
Washington Parish Sheriff	625	821
Webster Parish Sheriff	390	340
West Baton Rouge Parish Sheriff	5,454	5,712
West Feliciana Parish Sheriff	1,939	1,472
Winn Parish Sheriff	102	81
 Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	3,969,976	3,027,802
 Less: Disbursements to Individuals/3rd Party Collection		
Civil Fee Refunds	1,048,536	1,031,440
Other Disbursements to Individuals	<u>69,873</u>	<u>68,399</u>
Subtotal Disbursements/Retainage	<u>9,051,531</u>	<u>8,379,406</u>
 Ending Balance of Amounts Collected but not Disbursed/Retained	 <u>\$ 48,682,181</u>	 <u>\$ 49,940,397</u>

**INTERNAL CONTROL, COMPLIANCE  
AND OTHER MATTERS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Clerk of Court as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the East Baton Rouge Parish Clerk of Court's basic financial statements and have issued our report thereon dated October 3, 2023.

### Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2022-001 to be a material weakness.

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

As part of obtaining reasonable assurance about whether the East Baton Rouge Parish Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2022-002.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the East Baton Rouge Clerk of Court's response to the findings identified in our audit and described in the accompanying schedule of current and prior year findings and management's corrective action plan. East Baton Rouge Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
October 3, 2023

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

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

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

A. Internal Control Findings -

**2022-001** Reconciliation of the Advanced Deposit Fund

Fiscal year finding initially occurred: 1980

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

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

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

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

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

**MANAGEMENT'S CORRECTION ACTION PLAN:** The Clerk's office implemented an accounting application to administer the Advanced Deposit Fund in 2006, which significantly improved the accounting measures used in the administration of the Advanced Deposit Fund. Additionally, the Clerk's office has continued to monitor the monthly deposits and disbursements during the year ended June 30, 2022.

B. Compliance Findings -

**2022-002** Failure to file Audited Financial Statements Timely

Fiscal year finding initially occurred: 2022

**Criteria:** In accordance with Louisiana Revised Statute 24:513, the Clerk must complete and submit an audit of their financial statements within six months of the close of their fiscal year to the Legislative Auditor's office.

**Condition:** The Clerk's annual audited financial statements were not filed in a timely manner for the fiscal year ended June 30, 2022.

**Cause:** The Clerk's management did not take the appropriate actions to ensure its annual financial statement audit was completed within six months of the close of their fiscal year.

**Effect:** The Clerk did not comply with Louisiana Revised Statute 24.513.

EAST BATON ROUGE PARISH CLERK OF COURT  
Baton Rouge, Louisiana

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

Recommendation: The Clerk should take necessary actions to ensure their annual financial statement audit is completed and submitted within six months of the close of their fiscal year.

Management's Corrective Action Plan: The Clerk will take the appropriate actions to ensure that the financial statement audit is completed and submitted within the prescribed deadline.

Part II. Prior Year Findings

A. Internal Control Findings -

**2021-001** Reconciliation of the Advanced Deposit Fund

Fiscal year finding initially occurred: 1980

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

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

Current Status: Unresolved.

C. Compliance Findings -

There are no findings to report under this section.

**EAST BATON ROUGE PARISH  
CLERK OF COURT**

Baton Rouge, Louisiana

**Agreed-Upon Procedures Report**

Year Ended June 30, 2022



# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Doug Welborn  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The East Baton Rouge Parish Clerk of Court (The Clerk) management is responsible for those C/C areas identified in the SAUPs.

The Clerk has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained and inspected the Clerk's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the Clerk's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Board or Finance Committee**

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**(The following procedures were not applicable to the Clerk.)**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
  - c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

### ***Bank Reconciliations***

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3. We obtained a listing of the Clerk's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the Clerk's main operating account. We selected the Clerk's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***Collections (excluding electronic fund transfers)***

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
  - a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Traced the actual deposit per the bank statement to the general ledger.

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

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the Clerk's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
  - a) We observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
  - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### ***Contracts***

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15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g., change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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- 16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
  - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) We observed that any leave accrued or taken during the pay period is reflected in the Clerk's cumulative leave records.
  - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the Clerk's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

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- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
  - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

### ***Debt Service***

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**(The Clerk does not have debt issued for the fiscal period; therefore, this procedure is not applicable.)**

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***Fraud Notice***

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23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the Clerk reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Clerk is domiciled.

**The Clerk represented that there were no misappropriations of public funds and assets during the fiscal year.**

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

### ***Information Technology Disaster Recovery/Business Continuity***

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25. We performed the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**
  - a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
  - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
  - c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

***Prevention of Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Exceptions:**

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No exceptions were found as a result of applying the procedures listed above except:

**Written Policies and Procedures**

1. The Clerk does not have adequate written policies and procedures related to contracting, ethics, information technology disaster recover/business continuity, and sexual harassment.

**Bank Reconciliations**

2. Of the five bank reconciliations selected, four reconciliations were not prepared within two months of the bank statement closing date.
3. All bank reconciliations tested lacked evidence that a member of management who does not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation.
4. Of the five bank reconciliations selected, four reconciliations did not have documentation reflecting that management had researched reconciling items that have been outstanding for more than 12 months from the closing date.

**Management's Response:**

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Management concurs with the exceptions noted and is working to address the deficiencies identified.



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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
October 3, 2023