

R E P O R T

ST. TAMMANY PARISH CLERK OF COURT

JUNE 30, 2023

ST. TAMMANY PARISH CLERK OF COURT

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January 3, 2024

To the Honorable Melissa Henry
St. Tammany Parish Clerk of Court
Covington, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clerk as of June 30, 2023, 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 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk'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 Management's Discussion and Analysis; the Budgetary Comparison Schedule – General Fund; Schedule of Changes in Other Postemployment Benefits Liability and Related Ratios; Schedule of Proportionate Share of Net Pension Liability; Schedule of Contributions to the Clerks' of Court Retirement System; and the notes to required supplementary information 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 and *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The Governmental Funds Schedule of Revenues; Governmental Funds Schedule of Expenditures; Schedule of Compensation, Benefits, and Other Payments to the Clerk of Court; and the Justice System Funding Schedule – Collecting /Disbursing Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Governmental Funds Schedule of Revenues; Governmental Funds Schedule of Expenditures; Schedule of Compensation, Benefits, and Other Payments to the Clerk of Court; and the Justice System Funding Schedule – Collecting /Disbursing Entity are the responsibility of management and were derived from and relate 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 and Government Auditing Standards. In our opinion, the Governmental Funds Schedule of Revenues; Governmental Funds Schedule of Expenditures; Schedule of Compensation, Benefits, and Other Payments to the Clerk of Court; and the Justice System Funding Schedule – Collecting /Disbursing Entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2024, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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'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's internal control over financial reporting and compliance.

Duplantier, Sharpness, Hogan and Baker, LLP

New Orleans, Louisiana

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

The management's discussion and analysis of the St. Tammany Parish Clerk of Court's (the Clerk) financial performance provides an overview and analysis of the Clerk's financial activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total program revenues of the Clerk were \$11,471,652 which was a decrease of \$1,603,402, or 12.26%, as compared to the prior year. This decrease was a result of significant decline in recording fees as a result of economic conditions and high interest rates on mortgages.
- Total program expenses of the Clerk were \$13,747,038, which was an increase of \$723,218, or 5.55%, as compared to the prior year. The increase can be attributed to increased salary expense within the civil and criminal suits departments. Activity in these departments fluctuates based on the amounts of suits filed within the courts.
- On the government-wide financial statement of net position, total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$21,096,680 as a result of recording net pension and other-post employment benefit long-term liabilities determined by actuarial valuations.
- On the Governmental Fund financial statements, the Clerk has a positive fund balance for fiscal year 2023. Fund balance totaled \$5,576,507 as of June 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of four sections: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. Management's discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The basic financial statements consist of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also contains additional information to supplement the basic financial information, such as required supplementary information and other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to present the financial operations of the Clerk as a whole. The Statement of Net Position presents information on the Clerk's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Clerk is improving or weakening.

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements: (Continued)

The Statement of Activities presents information showing how the Clerk's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. As a result, transactions may be included that will not affect cash until future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. The Clerk uses two categories of funds to account for financial transactions, governmental funds and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The Clerk has two governmental funds. The General Fund provides a detailed short-term view of the Clerk's general government operations and the basic services it provides. The Advance Deposit Fund is a special revenue fund that collects and disburses advanced costs collected for court costs. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader insight on the long-term impact of the Clerk's more immediate decisions on the current use of financial resources. The governmental funds of the fund financial statements require and includes a reconciliation following the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds accounted for by the Clerk are custodial in nature and represent assets held by the Clerk for litigants pending court action. Under applicable standards of GASB Statement No. 84, fiduciary funds are not included in the government-wide financial statements. These activities are excluded from the Clerk's governmental funds financial statements because these assets are not available to finance operations. The Clerk is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes.

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes to the financial statements follow the audited financial statements and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Clerk's General Fund budgetary comparison to actual, its obligations to provide other postemployment benefits, the Clerk's proportionate share of net pension liability and the Clerk's contributions to the Louisiana Clerks' of Court Retirement and Relief Fund.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Condensed Statements of Net Position
June 30, 2023 and 2022

	2023	(Restated) 2022	Change	Percentage Change
ASSETS:				
Current and other assets	\$ 18,537,294	\$ 16,166,525	\$ 2,370,769	14.66%
Capital assets, net	575,133	934,343	(359,210)	-38.45%
Total assets	<u>19,112,427</u>	<u>17,100,868</u>	<u>2,011,559</u>	11.76%
DEFERRED OUTFLOWS OF RESOURCES	<u>10,571,484</u>	<u>8,790,142</u>	<u>1,781,342</u>	20.27%
LIABILITIES:				
Current liabilities	207,545	211,202	(3,657)	-1.73%
Long-term liabilities	43,502,075	33,931,948	9,570,127	28.20%
Total liabilities	<u>43,709,620</u>	<u>34,143,150</u>	<u>9,566,470</u>	28.02%
DEFERRED INFLOWS OF RESOURCES	<u>7,071,151</u>	<u>10,820,841</u>	<u>(3,749,690)</u>	-34.65%
NET POSITION:				
Net investment in capital assets	409,846	934,343	(524,497)	-56.14%
Unrestricted net position (deficit)	<u>(21,506,706)</u>	<u>(20,007,324)</u>	<u>(1,499,382)</u>	-7.49%
Total net position (deficit)	<u>\$ (21,096,860)</u>	<u>\$ (19,072,981)</u>	<u>\$ (2,023,879)</u>	-10.61%

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

Condensed Statements of Activities
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percentage Change</u>
Program Revenues:				
Charges for services	\$ 10,783,326	\$ 12,355,380	\$ (1,572,054)	-12.72%
Operating grants and contributions	<u>688,326</u>	<u>719,674</u>	<u>(31,348)</u>	-4.36%
Total program revenues	<u>11,471,652</u>	<u>13,075,054</u>	<u>(1,603,402)</u>	-12.26%
General Revenues:				
Other revenues	64,299	60,650	3,649	6.02%
Interest earnings	<u>187,208</u>	<u>20,560</u>	<u>166,648</u>	810.54%
Total general revenues	<u>251,507</u>	<u>81,210</u>	<u>170,297</u>	209.70%
Total revenues	<u>11,723,159</u>	<u>13,156,264</u>	<u>(1,433,105)</u>	-10.89%
Function /Program Expenses:				
Administration	3,527,109	3,123,958	403,151	12.91%
Recordings and filings	1,829,279	1,908,966	(79,687)	-4.17%
Mortgage certificates	387,388	445,757	(58,369)	-13.09%
Civil suits and probates	5,270,616	4,810,756	459,860	9.56%
Criminal suits and minutes	2,432,689	2,457,065	(24,376)	-0.99%
Elections	<u>299,957</u>	<u>277,318</u>	<u>22,639</u>	8.16%
Total program expenses	<u>13,747,038</u>	<u>13,023,820</u>	<u>723,218</u>	5.55%
 Change in net position	 <u>\$ (2,023,879)</u>	 <u>\$ 132,444</u>	 <u>\$ (2,156,323)</u>	

FUND FINANCIAL STATEMENTS ANALYSIS

Governmental Funds

The Clerk maintains two governmental funds, the General Fund and the Special Revenue Advance Deposit Fund. For the year June 30, 2023, the General Fund reported a positive fund balance of \$5,576,507, which was a decrease in the amount of \$1,264,708 as compared to prior year. The decrease can be attributed to a significant decrease in recording fees as a result of economic conditions such as high mortgage interest rates.

For the year ended June 30, 2023 the Special Revenue Advance Deposit Fund transferred all fees collected to the General Fund and therefore reported no fund balance, which is consistent with the prior year. Fees transferred in fiscal year 2023 were \$4,633,225 as compared to \$4,434,959 in fiscal year 2022.

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

FUND FINANCIAL STATEMENTS ANALYSIS (Continued)

Fiduciary Funds

The Clerk maintains one fiduciary fund, the Registry of Court Fund. Net position increased \$498,545 for the Registry of Court Fund as compared to the prior year as a result of increased interest earned on deposit accounts.

ANALYSIS OF BUDGET VARIATIONS IN THE GENERAL FUND

The variations from the budgeted revenues and expenditures for the General Fund were as follows:

- Revenues and operating transfers in were slightly more than the budget by \$10,151.
- Expenditures were more than the budget by \$1,274,859, mainly due to increases in personnel services within the civil and criminal suit departments and the information technology department.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

Capital assets in the amount of \$575,133 represent the investment in office furniture and computer equipment, office improvements, intangible software and IT subscription right-to-use asset, net of accumulated depreciation and amortization expense. Net capital assets decreased \$359,210 during 2023 due to recording current year depreciation / amortization expense. There were no additions to capital assets during 2023.

As of July 1, 2022, the Clerk implemented Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result of implementing this new change in government accounting principles, capital assets net of accumulated amortization was restated as of the beginning of the year in the amount of \$350,706. See Note 12 to the basic financial statements for further details.

Net Pension Liability

At June 30, 2023, the Clerk reported long-term liabilities in the amount of \$13,782,027 for its proportionate share of net pension liability, and related deferred outflows of resources totaling \$5,757,744 and deferred inflows of resources totaling \$586,285. See Note 6 to the basic financial statements for further details of the net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources which are based on actuarial valuations required by GASB Statement No. 68.

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Other Postemployment Benefits Liability

At June 30, 2023, the Clerk reported other postemployment benefits liability in the amount of \$16,743,011, and related deferred outflows of resources in the amount of \$4,813,740 and deferred inflows of resources in the amount of \$6,484,866. See Note 7 to the basic financial statements for further details of the other postemployment benefits liability, expense, deferred outflows of resources and deferred inflows of resources, which are based on actuarial valuations required by GASB Statement No. 75.

Lease Liability

The Clerk leases computer equipment under a financed purchased lease. At June 30, 2023, financed equipment lease liability in the amount of \$56,265 was reported on the government-wide statement of net position.

IT Subscription Liability

In fiscal year 2023, the Clerk implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. As a result of this new government accounting standard, as of June 30, 2023, the Clerk reported on the government-wide statement of net position a subscription-based information technology right of use asset net of accumulated amortization in the amount of \$150,303 and an IT subscription liability in the amount of \$109,022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A review of the number of documents filed within the Recording Department during fiscal year 2023 indicates that 41,888 land documents were recorded. The number of recordings decreased by 14,467 from the number of land documents that were recorded in fiscal year 2022.

The number of civil suit filings in fiscal year 2023 was 8,097. This represents an increase of 964 civil suit filings, in comparison to the number of civil suit filings during fiscal year 2022.

In conclusion, the Clerk's office provides a wide range of services to the public and anticipates that it will be able to operate within the operating budget for the fiscal year 2023-2024.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the St. Tammany Parish Clerk of Court's finances. Questions concerning this report or the need for additional information should be directed to Amy Moisant, Director of Finance, St. Tammany Parish Clerk of Court, P.O. Box 1090, Covington, LA 70434.

ST. TAMMANY PARISH CLERK OF COURT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 12,833,726
Investments	5,500,000
Receivables	4,552
Prepaid items	199,016
Capital assets, net of accumulated depreciation and amortization	575,133
Total assets	<u>19,112,427</u>
 DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions	5,757,744
Deferred outflows related to other postemployment benefits	4,813,740
Total deferred outflows of resources	<u>10,571,484</u>
 LIABILITIES:	
Accounts payable and other accrued liabilities	95,087
Unearned revenue	112,458
Non-current liabilities:	
Finance lease payable - due in one year	56,265
Finance lease payable - due in more than one year	-
IT subscription liability - due in one year	109,022
IT subscription liability - due in more than one year	-
Net pension liability	13,782,027
Other postemployment benefits	16,743,011
Advance deposits held	12,811,750
Total liabilities	<u>43,709,620</u>
 DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pensions	586,285
Deferred inflows related to other postemployment benefits	6,484,866
Total deferred inflows of resources	<u>7,071,151</u>
 NET POSITION:	
Net investment in capital assets	409,846
Unrestricted (deficit)	<u>(21,506,706)</u>
Total net position (deficit)	<u><u>\$ (21,096,860)</u></u>

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

ST. TAMMANY PARISH CLERK OF COURT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<u>Functions/ Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
Governmental Activities:				
Administration	\$ 3,527,109	\$ -	\$ 138,341	\$ (3,388,768)
Recordings and filings	1,829,279	1,988,485	136,790	295,996
Mortgage certificates	387,388	421,103	17,719	51,434
Civil suits and probates	5,270,616	5,729,328	255,151	713,863
Criminal suits and minutes	2,432,689	2,644,410	123,323	335,044
Elections	299,957	-	17,002	(282,955)
	<u>\$ 13,747,038</u>	<u>\$ 10,783,326</u>	<u>\$ 688,326</u>	<u>(2,275,386)</u>
General Revenues:				
Interest income				187,208
Other				64,299
Total general revenues				<u>251,507</u>
Change in net position				(2,023,879)
Net position (deficit) - beginning of year, as previously reported				(19,035,751)
Cumulative effect of change in accounting principle				(37,230)
Net position (deficit) - beginning of year, as restated				<u>(19,072,981)</u>
Net position (deficit) - end of year				<u>\$ (21,096,860)</u>

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

ST. TAMMANY PARISH CLERK OF COURT
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

	<u>General Fund</u>	<u>Advance Deposit Fund</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 2,744,535	\$ 10,089,191	\$ 12,833,726
Investments	2,400,000	3,100,000	5,500,000
Receivables	4,552	-	4,552
Due from advance deposit fund	377,441	-	377,441
Prepaid items	257,524	-	257,524
TOTAL ASSETS	<u>\$ 5,784,052</u>	<u>\$ 13,189,191</u>	<u>\$ 18,973,243</u>
 LIABILITIES:			
Accounts payable	95,087	-	95,087
Unearned revenue	112,458	-	112,458
Due to general fund	-	377,441	377,441
Advance deposits held	-	12,811,750	12,811,750
Total liabilities	<u>207,545</u>	<u>13,189,191</u>	<u>13,396,736</u>
 FUND BALANCE:			
Nonspendable prepaid items	257,524	-	257,524
Unassigned	5,318,983	-	5,318,983
Total fund balance	<u>5,576,507</u>	<u>-</u>	<u>5,576,507</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 5,784,052</u>	 <u>\$ 13,189,191</u>	 <u>\$ 18,973,243</u>

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

ST. TAMMANY PARISH CLERK OF COURT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total governmental fund balance	\$ 5,576,507
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	575,133
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund as follows:

Financed lease payable	(56,265)
IT subscription liability	(109,022)
Prepaid IT subscription expense	(58,508)
Net pension liability	(13,782,027)
Other postemployment benefits payable	(16,743,011)

Pension and other postemployment benefits related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year; and, therefore, are not reported in the governmental fund as follows:

Deferred outflows of resources	10,571,484
Deferred inflows of resources	<u>(7,071,151)</u>

Net position (deficit), as reflected on the Statement of Net Position	<u>\$ (21,096,860)</u>
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The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH CLERK OF COURT
 GOVERNMENT FUNDS STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	General <u>Fund</u>	Advance Deposit <u>Fund</u>	<u>Total</u>
REVENUES:			
Fees, charges, and commissions for services:			
Court costs, fees, and charges	\$ 366,789	\$ 4,633,225	\$ 5,000,014
Fees for recording legal documents	5,007,372	-	5,007,372
Fees for other services	270,745	-	270,745
Fees for on-line public access	384,464	-	384,464
Fees for certified copies	120,731	-	120,731
Interest income	187,208	-	187,208
Other income	64,298	-	64,298
Total revenues	<u>6,401,607</u>	<u>4,633,225</u>	<u>11,034,832</u>
EXPENDITURES:			
Current:			
Administration	372,443	-	372,443
Recordings and filings	1,483,258	-	1,483,258
Mortgage certificates	327,043	-	327,043
Civil suits and probates	4,215,580	-	4,215,580
Criminal suits and minutes	2,039,077	-	2,039,077
Elections	248,033	-	248,033
Information technology	608,349	-	608,349
Finance	1,020,809	-	1,020,809
Human resources	341,134	-	341,134
Records management	672,259	-	672,259
Purchasing	74,975	-	74,975
Retirees	436,696	-	436,696
Debt service:			
Principal	440,155	-	440,155
Interest	19,729	-	19,729
Total expenditures	<u>12,299,540</u>	<u>-</u>	<u>12,299,540</u>
Excess (deficiency) of revenues over expenditures	<u>(5,897,933)</u>	<u>4,633,225</u>	<u>(1,264,708)</u>
Other Financing Sources:			
Operating transfers in	4,633,225	-	4,633,225
Operating transfers out	<u>-</u>	<u>(4,633,225)</u>	<u>(4,633,225)</u>
Total other financing sources	<u>4,633,225</u>	<u>(4,633,225)</u>	<u>-</u>
Net change in fund balance	(1,264,708)	-	(1,264,708)
Fund balance, beginning of the year	<u>6,841,215</u>	<u>-</u>	<u>6,841,215</u>
FUND BALANCE, END OF THE YEAR	<u>\$ 5,576,507</u>	<u>\$ -</u>	<u>\$ 5,576,507</u>

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

ST. TAMMANY PARISH CLERK OF COURT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balance - governmental fund \$ (1,264,708)

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

The governmental fund reports 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:

Depreciation and amortization expense (359,210)

The governmental fund reports payments for leased computer equipment
and payments for IT subscription liabilities as expenditures.

However, in the Statement of Activities, the principal portion of these
payments are not reported as expenditures as they reduce the liability
on the Statement of Net Position.

440,156

Changes in the Clerk's other postemployment benefits liability, deferred
outflows of resources, and deferred inflows of resources related to the
other postemployment benefits not reported in the governmental funds
but are reported on the Statement of Activities.

(170,598)

Changes in the Clerk's proportionate share of net pension liability, deferred
outflows of resources, and deferred inflows of resources related to the
pension plan not reported in the governmental funds but are
reported on the Statement of Activities.

(669,519)

Change in net position, as reflected on the Statement of Activities

\$ (2,023,879)

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

ST. TAMMANY PARISH CLERK OF COURT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	<u>Registry of Court</u>
ASSETS:	
Cash and cash equivalents	<u>\$ 11,381,040</u>
TOTAL ASSETS	<u><u>\$ 11,381,040</u></u>
NET POSITION:	
Fiduciary net position - held for others	<u>\$ 11,381,040</u>
TOTAL NET POSITION	<u><u>\$ 11,381,040</u></u>

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

ST. TAMMANY PARISH CLERK OF COURT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Registry of Court Fund
ADDITIONS:	
Judgments	\$ 2,452,713
Interest earned on investments	459,191
Total additions	2,911,904
REDUCTIONS:	
Settlement to litigants	2,364,798
Other	48,561
Total reductions	2,413,359
Net change in fiduciary net position	498,545
Net position, beginning of the year	10,882,495
Net position, end of the year	\$ 11,381,040

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

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the St. Tammany Parish Clerk of Court (the Clerk) serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and has other duties and powers provided by law. The Clerk is elected for a four-year term. The Clerk is solely responsible for the operations of her office, which include the hiring or retention of employees, budgeting and the receipt and disbursement of funds. Accordingly, the Clerk is fiscally independent and a separate reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial Statement Presentation:

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

Financial Reporting Entity:

For financial reporting purposes, the Clerk includes all funds, account groups, and activities that are within the oversight responsibility of the Clerk as an independently elected parish official.

Government-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Clerk except for the fiduciary fund. Fiduciary funds are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund financial statement level. Interfund activity has been removed from these statements.

The government-wide financial statements are reported on the full accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Financial Statements:

Government fund financial statements are accounted for using the modified accrual basis of accounting and a current financial resources measurement focus. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences, capital lease liability, pension liability, and other postemployment benefits are recorded when paid.

Fees and charges for services, interest earnings and other revenues of the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Clerk.

The fund financial statements of the Clerk consist of two major governmental funds and a fiduciary fund as follows:

General Fund:

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

Special Revenue Fund:

The Advance Deposit Fund, provided under Louisiana Revised Statute 13:842, is used to account for advance deposits in suits filed by litigants. Though the advance deposits held for others are not allowed to be used for the Clerk's general expenditures, the fund is recorded as a special revenue fund due to the Clerk's administrative involvement with the funds. Any excess funds held after all court costs are paid are refunded to the litigants.

Fiduciary Fund:

The fiduciary fund accounts for one fund, the Registry of Court Fund. This fund accounts for assets held on behalf of outside parties. The fiduciary fund of the Clerk is custodial in nature and does not involve measurement of results of operations. The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds held by order of the court until judgment is rendered by the judiciary. Withdrawals of funds can be made only upon order of the court.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Financial Statements: (Continued)

Budget and Budgetary Accounting:

Formal budget integration is employed as a management control device during the year for the General Fund. The budget is prepared on the modified accrual basis of accounting, consistent with the basis of accounting for comparability of budgeted and actual revenue and expenditures. Budgets amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The proposed budget for the fiscal year 2023 was published in the official journal and made available for public inspection at the Clerk's office on June 8, 2022. The budget hearing was held at the Clerk's office on June 15, 2022. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end.

Cash, Cash Equivalents, and Investments:

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposit, money market-like investment pools, and certificates of deposit with original maturities of three months or less from the date of acquisition.

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

It is the Clerk's policy to invest in certificates of deposit and LAMP. Investments are stated at fair value based on quoted market prices.

Capital Assets:

Capital assets consist of purchased and financed office furniture and equipment, intangible computer software, office improvements and right to use assets. Capital assets are reported in the government-wide financial statements and are valued at historical cost, estimated cost or fair value if donated. The Clerk maintains a threshold level of \$2,500 or more for capitalizing purchased and financed assets and \$10,000 or more for intangible assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Office furniture, equipment and improvements are depreciated using the straight-line method over the useful life. Intangible assets are amortized using the straight-line method over the useful life of the asset or the term of the contract.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets: (Continued)

Useful lives of capital assets are as follows:

Office furniture and equipment	2-10 years
Office improvements	15-25 years
Intangible software	3-7 years

In the governmental fund financial statements, capital assets used in operations are accounted for as capital outlay expenditures.

Operating Lease and Subscription-Based Information Technology Liabilities:

Operating type lease liabilities and subscription-based information technology arrangements (SBITA) liabilities are recognized at the commencement of the lease or agreement for contracts that have a term exceeding one year and where cumulative future payments on the contracts exceed \$10,000. Operating leases and SBITAs are measured at the present value of payments expected to be made during the lease or contract term. Subsequently, the lease liability and IT subscription liability are reduced by the principal portion of the payments made. The Clerk monitors the changes in circumstances that would require a remeasurement of leases and IT subscription contracts if significant changes are expected that would affect the amount of the liability.

In the governmental fund financial statements, principal and interest payments are accounted for as debt service expenditures.

Deferred Outflows and Inflows of Resources:

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that future time.

Compensated Absences:

The Clerk provides paid time off (PTO) to regular full-time employees. The amount of PTO received each year depends on hours worked and years of service with the Clerk's office and is calculated based on the employee benefit year. At the end of each year, unused PTO can be rolled forward into a "sick bank". The maximum accumulated sick bank time is 210 hours. Unused sick bank hours are not paid to employees upon separation of service.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences: (Continued)

Amounts of vested or accumulated paid time off that are not expected to be liquidated with expendable available financial resources are reported as a liability in the Statement of Net Position. There was no liability reported as of June 30, 2023.

Fund Balance:

The Clerk has the highest level of decision-making authority for her agency and can establish, modify, or rescind a fund balance commitment. For assigned fund balance, the Clerk authorizes management to assign amounts for specific purpose. For the governmental fund financial statements, fund balance is classified in the following components:

- *Non-spendable* includes fund balance amounts that cannot be spent either because it is in non-spendable form or because of legal or contractual constraints.
- *Restricted* includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers (such as grantors, bondholders, and higher levels of government) or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Clerk. To be reported as *committed*, amounts cannot be used for any other purpose unless the Clerk takes the same highest-level action to remove or change the constraint.
- *Assigned* includes fund balance amounts that the Clerk intends to use for specific purposes as determined by the Clerk that are neither considered restricted nor committed.
- *Unassigned* fund balance amounts include the residual amounts of fund balance which do not fall into one of the other components. Positive amounts are reported only in the General Fund.

When both restricted and unrestricted fund balances are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use it is the Clerk's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Position:

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

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

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

Unearned Revenue:

Unearned revenues are a liability that represents amounts received, but not earned. Unearned revenue consists of fees for services collected in advance.

Advance Deposits Held:

Advance deposits held represents funds held on behalf of outside parties to be paid to other governments, and/or other agencies as dictated by law or by the court.

Pension Plans:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund (LCCRRF) and changes in LCCRRF's fiduciary net position have been determined on the same basis as they are reported by LCCRRF. 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.

ST. TAMMANY PARISH CLERK OF COURT
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Prepaid Expenses:

Prepaid expenses are recorded in the year that the expenditure is accrued using the consumption method.

Use of Estimates:

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

Operating transfers in/out:

Operating transfers in/out represents the court fees earned by the advance deposit fund that are transferred to the general fund-to-fund operations of the Clerk.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Cash and Cash Equivalents:

At June 30, 2023, the Clerk had cash and cash equivalents as follows:

	Governmental Funds			Fiduciary Fund
	General Fund	Advance Deposit Fund	Total	
Petty cash	\$ 4,451	\$ -	\$ 4,451	\$ -
Interest bearing deposits	2,040,084	8,639,191	10,679,275	11,381,040
LAMP - pooled account	700,000	1,450,000	2,150,000	-
Total cash and cash equivalents	\$ 2,744,535	\$ 10,089,191	\$ 12,833,726	\$ 11,381,040

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Custodial credit risk is the risk that, in the event of bank failure, the Clerk's deposits might not be recovered. At June 30, 2023, the Clerk had \$20,733,823 in deposits (collective bank balances), which included \$9,239,285 in interest bearing bank accounts within the Governmental

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Funds (General and Advance Deposit funds), and \$11,494,538 in interest bearing bank accounts within the Fiduciary Fund. Under state law, deposits within a bank must be secured by federal deposit insurance or the pledged securities in joint custody. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. All deposits were fully insured or collateralized.

Louisiana Asset Management Pool, Inc. (LAMP):

LAMP is a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investments pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares interest rate risk disclosure using the weighted average maturity (WAM) method. WAM is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/ variable rate investments.
- Foreign currency risk: Not applicable

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

ST. TAMMANY PARISH CLERK OF COURT
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Investments:

As of June 30, 2023, the Clerk had investments in certificates of deposit with original maturity dates over 90 days as follows:

	General Fund	Advance Deposit Fund	Total
Certificates of deposit	\$ 2,400,000	\$ 3,100,000	\$ 5,500,000

The Clerk categorizes the fair value measurements of its investments based on the hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 are significant unobservable inputs. All of the Clerk's investments are measured using Level 1 inputs.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Clerk will not be able to recover the value of its investments that are in the possession of an outside party. At June 30, 2023, certificates of deposit with original maturity dates greater than 90 days totaled \$2,400,000 for the General Fund and \$3,100,000 for the Advance Deposit Fund. These balances were fully secured by federal deposit insurance and pledged securities held by the custodial bank in joint custody as of June 30, 2023. The Clerk has no policy on custodial credit risk.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Clerk has no policy on interest rate risk. At June 30, 2023, certificates of deposit maturing in less than one year totaled \$5,250,000 and certificates of deposit maturing within one to five years totaled \$250,000.

Concentration of Credit Risk:

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2023, the Clerk held investments with six issuers exceeding 5% of total investments. Investments in the LAMP account, which is a pooled account, are excluded from the 5% rule. The Clerk has no policy on concentration of credit risk.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. CAPITAL ASSETS:

Capital assets activity as of and for the year ended June 30, 2023 is as follows:

	(Restated)			
	Balance			Balance
	July 1, 2022	Additions	Deletions	June 30, 2023
Capital assets being depreciated:				
Computers, furniture and equipment	\$ 1,489,359	\$ -	\$ -	\$ 1,489,359
Office improvements	113,772	-	-	113,772
Less: accumulated depreciation	(1,066,046)	(146,111)	-	(1,212,157)
Total capital assets being depreciated	<u>537,085</u>	<u>(146,111)</u>	<u>-</u>	<u>390,974</u>
Capital assets being amortized:				
Intangible - software	63,480	-	-	63,480
Right-to-use asset - IT subscription	1,002,017	-	-	1,002,017
Less: accumulated amortization	(668,239)	(213,099)	-	(881,338)
Total capital assets being amortized	<u>397,258</u>	<u>(213,099)</u>	<u>-</u>	<u>184,159</u>
Net capital assets	<u>\$ 934,343</u>	<u>\$ (359,210)</u>	<u>\$ -</u>	<u>\$ 575,133</u>

Depreciation and amortization expense in the amount of \$359,210 for the year ended June 30, 2023 was charged to the following governmental functions/programs:

<u>Depreciation / Amort Expense by Function:</u>	<u>Total</u>
Administration	\$ 29,332
Recording and filings	29,136
Mortgage certificates	5,230
Civil suits and probates	266,560
Criminal suits and minutes	25,737
Elections	3,215
	<u>\$ 359,210</u>

4. LONG-TERM OBLIGATIONS:

A summary of long-term obligations is as follows:

	(Restated)			
	Balance	Net Increase	Balance	Due Within
	July 1, 2022	(Decrease)	June 30, 2023	One Year
Other postemployment benefits	\$ 16,196,818	\$ 546,193	16,743,011	\$ -
Net pension liability	7,957,071	5,824,956	13,782,027	-
Finance lease payable	276,015	(219,750)	56,265	56,265
IT subscription liability	329,428	(220,406)	109,022	109,022
	<u>\$ 24,759,332</u>	<u>\$ 5,930,993</u>	<u>\$ 30,690,325</u>	<u>\$ 165,287</u>

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

5. RISK MANAGEMENT:

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk, along with other Clerks of Court in the State of Louisiana, is a member of the Louisiana Association of Clerks of Court Risk Management Agency (LACCRM). LACCRM is a public entity risk pool currently operating as a common risk management and insurance program for the members of the Clerks of Court. The Clerks pay an annual premium to LACCRM for their general insurance coverage. The Articles of Association of the LACCRM provide that LACCRM will be self-sustaining through member premiums. The LACCRM pays claims, in excess of the Clerk's deductible of \$3,750, up to a maximum limit of \$1,000,000 for each insured event. No settlements exceeded insurance coverage for each of the past three fiscal years. For the year ended June 30, 2023, the Clerk's general risk and cyber insurance expenditures totaled \$46,360.

From time to time, the Clerk is involved as a defendant in actual or threatened litigation, which is not covered by insurance. At June 30, 2023, there were no pending or threatened claims, which, in the opinion of the Clerk's legal advisors, would have a material adverse effect on the financial statements, should such claims be settled in favor of the plaintiffs.

6. PENSION PLAN:

Plan Description:

Substantially all employees of the Clerk are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by the Louisiana Clerk of Court Retirement and Relief Fund (LCCRRF).

LCCRRF 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 parish 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 LCCRRF, and the Louisiana Clerks' of Court Association. 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 LCCRRF in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

LCCRRF issues an annual publicly available financial report that includes financial statements and required supplementary information for LCCRRF. That report may be obtained on the Louisiana Clerks' of Court Retirement and Relief Fund website: www.laclerksofcourt.org.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN: (Continued)

Benefits Provided:

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

Disability Benefits:

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

Survivor Benefits:

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $\frac{1}{4}$ 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 $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN: (Continued)

Survivor Benefits: (Continued)

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 (DROP):

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

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

Upon termination, the member receives a lump-sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate his original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN: (Continued)

Deferred Retirement Option Plan (DROP): (Continued)

monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost-of-Living Adjustments (COLAs):

The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, Louisiana statutes allow the Board to grant a cost-of-living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 22.25%. For the year ended June 30, 2022, the actuarially determined employer contribution rate was 21.79%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute, LCCRRF 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. For the year ended June 30, 2023, the Clerk recognized revenue from non-employer contributing entities in the amount of \$688,326 on the Statement of Activities.

Schedule of Employer Allocations:

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

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN: (Continued)

Schedule of Employer Allocations: (Continued)

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, 2022, as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2022.

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

At June 30, 2023, the Clerk reported a liability of \$13,782,027 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the measured net pension liability was based the Clerk's share of actual contributions to the pension plan relative to the actual contributions of all participating employers. At the June 30, 2022 measurement date, the Clerk's proportion was 5.686%, which was a decrease of 0.296% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Clerk recognized pension expense of \$476,172. At June 30, 2023, 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	\$ 130,675	\$ 125,278
Changes of assumptions	1,011,370	-
Net difference between projected and actual earnings on pension plan investments	2,948,602	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	334,503	461,007
Employer contributions subsequent to the measurement date	1,332,594	-
Total	<u>\$ 5,757,744</u>	<u>\$ 586,285</u>

Deferred outflows of resources of \$1,332,594 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 ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN: (Continued)

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

Year ending June 30:	
2024	\$ 1,236,174
2025	1,028,622
2026	243,904
2027	1,330,165
	\$ 3,838,865

Actuarial Assumptions:

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.55%, net of investment expense
Inflation	2.40%
Salary Increases	6.20% (1-5 years of service) 5.00% (5 or more years of service)
Date of Experience Study	July 1, 2014 - June 30, 2019
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 for 2018 through 2022
Cost-of-Living Adjustment	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2022 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 through June 30, 2019 unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

ST. TAMMANY PARISH CLERK OF COURT
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN: (Continued)

Actuarial Assumptions: (Continued)

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

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 6.18% as of June 30, 2022. The best estimates of geometric real rates of return for each major asset class included in LCCRRF’s target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate:

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’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.

ST. TAMMANY PARISH CLERK OF COURT
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN: (Continued)

Sensitivity of the Clerk’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

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

	Change in Discount Rate		
	1.0% Decrease 5.55%	Current Discount Rate 6.55%	1.0% Increase 7.55%
Net Pension Liability	\$ 19,671,971	\$ 13,782,027	\$ 8,819,690

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report for Louisiana Clerks’ of Court Retirement and Relief Fund and can be obtained on LCCRRF’s respective website: www.laclerksofcourt.org or on the Louisiana Legislative Auditor’s website: www.la.gov.

Payables to the Pension Plan:

As of June 30, 2023, the Clerk had no outstanding amount of contributions payable to LCCRRF.

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB):

Plan Description:

The St. Tammany Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The St. Tammany Parish Clerk of Court’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria of the Governmental Accounting Standards Board (GASB).

ST. TAMMANY PARISH CLERK OF COURT
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Benefits Provided:

Medical, dental, and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 12 years of service; or, attainment of age 60 and 12 years of service for employees hired on and after January 1, 2011. Employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Employees covered by benefit terms:

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	78
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	127
Total	205

Contributions:

The Clerk pays the cost of the retiree coverage, less the portion paid by the retiree, as those premiums come due each year. During the fiscal year ended June 30, 2023, the Clerk paid \$435,671 for retiree insurance premiums.

Actuarial Methods and Assumptions:

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

Discount Rate	3.65%, annually
Salary Increases	3.0%, including inflation
Inflation	3.0%
Healthcare Cost Trend Rate	5.50% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation Municipal Bond Index on the applicable measurement dates.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Actuarial Methods and Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	<u>\$ 16,196,818</u>
Changes for the year:	
Service Cost	385,010
Interest	580,182
Differences between expected and actual	390,894
Changes in assumptions	(276,797)
Benefit payments and net transfers	<u>(533,096)</u>
Net changes	<u>546,193</u>
Balance at June 30, 2023	<u><u>\$ 16,743,011</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point-higher (4.65%) than the current discount rate:

	1%	Current <u>Discount Rate</u>	1%
	<u>Decrease</u>	<u>3.65%</u>	<u>Increase</u>
Total OPEB Liability	<u>\$ 19,649,518</u>	<u>\$ 16,743,011</u>	<u>\$ 14,418,731</u>

Sensitivity of the Total OPEB Liability to Changes in 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 (4.5%) or 1-percentage-point-higher (6.5%) than the current healthcare cost trend rates:

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates: (Continued)

	<u>1% Decrease</u>	<u>Current Trend Rate 5.5%</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 14,674,151</u>	<u>\$ 16,743,011</u>	<u>\$ 19,339,876</u>

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

The Clerk’s total OPEB liability is \$16,743,011 as of the June 30, 2023 measurement date.

For the year ended June 30, 2023, the Clerk recognized OPEB expense of \$703,693. As of June 30, 2023, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 818,483	\$ 2,634,322
Changes in assumptions	3,995,257	3,850,544
Total	<u>\$ 4,813,740</u>	<u>\$ 6,484,866</u>

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

Year Ending	
<u>June 30</u>	
2024	\$ (261,499)
2025	\$ (261,499)
2026	\$ (261,499)
2027	\$ (261,499)
2028	\$ (261,499)
Thereafter	(363,631)
Total	<u>\$ (1,671,126)</u>

Payables to the OPEB Plan:

As of June 30, 2023, the Clerk had no outstanding payable to the OPEB plan.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

8. DEFERRED COMPENSATION PLAN:

Certain employees of the Clerk participate in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The Clerk’s office matches the employee’s contribution as follows:

<u>Years of Service</u>	<u>Maximum Employer Matching</u>
0-4	up to 5% of annual salary
5-9	up to 8.5% of annual salary
10 and greater	up to 12.0% of annual salary

Complete disclosures related to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana, 70804-9397. Total deferred compensation expenditure at June 30, 2023 was \$267,772.

9. LEASES:

Financed Purchase Lease:

The Clerk leases computer equipment under a three-year agreement recorded as a financed purchase lease. As of June 30, 2023, obligations under the financed purchase lease agreement are recorded at the present value of future minimum lease payments, with an interest rate of 3.25%. The financed lease terms extend through October 1, 2023. Future minimum payments on obligations under the financed lease agreement are as follows:

<u>Fiscal Year Ending</u>	<u>Lease</u>
2024	\$ 56,550
Total future minimum payments	56,550
Less: interest component of future minimum payments	(285)
Net lease obligations	<u>\$ 56,265</u>

Assets acquired through the financed lease are as follows:

Computer equipment	\$ 604,673
Less: accumulated depreciation	(332,738)
Total	<u>\$ 271,935</u>

Other Short-Term Equipment Leases:

The Clerk leases various office equipment on a month-to-month basis. Total rental expenditures under these leases totaled \$77,765 for the year ended June 30, 2023.

ST. TAMMANY PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA):

The Clerk implemented GASB Statement No. 96 in fiscal year 2023 and now recognizes subscription-based information technology arrangements (SBITAs) as right-to-use assets and related IT subscription liabilities. SBITA right-to-use assets and IT subscription liabilities are recorded at the present value of the lease payments over the term of the agreement.

The Clerk entered into a SBITA with a term of five years and no options to renew. The weighted average federal prime rate of 5.5% was used to calculate the present value of lease payments at the commencement date of the contract. As of June 30, 2023, right-to-use IT subscription assets net of accumulated amortization was \$150,303. For the year ended June 30, 2023, amortization expense was \$200,403. As of June 30, 2023, IT subscription liability was \$109,022. For the year ended June 30, 2023, interest expense in the amount of \$13,624 was reported.

Remaining principal and interest payments on IT subscription liability is as follows:

Year Ending <u>June 30</u>	General Fund		Total <u>Payment</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 109,022	\$ 7,993	\$ 117,015

11. DEFICIT NET POSITION:

The Clerk reported a deficit unrestricted net position of \$21,096,860 as of June 30, 2023. This deficit is due to the recording of net pension liability and other postemployment benefits on the government-wide financial statements.

12. NEW ACCOUNTING PRONOUNCEMENT:

On July 1, 2022, the Clerk adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The objective of GASB Statement No. 96 is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs. Under this statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. As a result of implementing GASB 96, net position decreased by \$37,230. This cumulative effect adjustment on to the government-wide financial statements was recorded as of the beginning of the year as follows.

	Increase <u>(Decrease)</u>
Right-to-use asset - SBITA, net of amortization	\$ 350,706
Prepaid expense - subscriptions	\$ (58,508)
IT Subscription Liability	\$ 329,428
Net Position	\$ (37,230)

ST. TAMMANY PARISH CLERK OF COURT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fees, charges, and commissions for services:				
Court costs, fees, and charges *	4,172,749	5,000,258	366,789	(4,633,469)
Fees for recording legal documents	7,005,876	5,014,713	5,007,372	(7,341)
Fees for other services	171,672	272,786	270,745	(2,041)
Fees for certified copies	139,369	121,946	120,731	(1,215)
Fees for on-line public access	801,093	385,343	384,464	(879)
Interest income	14,908	160,275	187,208	26,933
Other	81,450	69,360	64,298	(5,062)
Total revenues	<u>12,387,117</u>	<u>11,024,681</u>	<u>6,401,607</u>	<u>(4,623,074)</u>
EXPENDITURES:				
Current:				
Administration	363,934	347,982	372,443	(24,461)
Recordings and filings	1,666,462	1,342,860	1,483,258	(140,398)
Mortgage certificates	410,487	285,918	327,043	(41,125)
Civil suits and probates	4,007,765	3,716,878	4,215,580	(498,702)
Criminal suits and minutes	2,222,083	1,809,828	2,039,077	(229,249)
Elections	247,415	247,249	248,033	(784)
Information technology	421,271	523,696	608,349	(84,653)
Finance	950,914	890,624	1,020,809	(130,185)
Human resources	294,885	299,620	341,134	(41,514)
Records management	629,797	594,697	672,259	(77,562)
Purchasing	75,108	67,058	74,975	(7,917)
Retirees	466,112	426,128	436,696	(10,568)
Capital outlay	630,884	472,143	-	472,143
Debt service	-	-	459,884	(459,884)
Total expenditures	<u>12,387,117</u>	<u>11,024,681</u>	<u>12,299,540</u>	<u>(1,274,859)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(5,897,933)</u>	<u>(5,897,933)</u>
Other financing sources:				
Operating transfers In *	<u>-</u>	<u>-</u>	<u>4,633,225</u>	<u>4,633,225</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>4,633,225</u>	<u>4,633,225</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(1,264,708)</u>	<u>(1,264,708)</u>
FUND BALANCE, BEGINNING	<u>6,841,215</u>	<u>6,841,215</u>	<u>6,841,215</u>	<u>6,841,215</u>
FUND BALANCE, ENDING	<u>6,841,215</u>	<u>6,841,215</u>	<u>5,576,507</u>	<u>5,576,507</u>

* Court cost, fees and charges received from the Advance Deposit Fund was budgeted as revenues within the General Fund and reported as transfers in from the Advance Deposit Fund.

ST. TAMMANY PARISH CLERK OF COURT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT
 BENEFITS LIABILITY AND RELATED RATIOS
FOR THE SIX YEARS ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:						
Service cost	\$ 385,010	\$ 773,535	\$ 759,345	\$ 935,231	\$ 676,683	\$ 662,748
Interest	580,182	494,547	471,023	533,993	491,410	486,112
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	390,894	(2,558,297)	371,220	(383,905)	290,439	(482,855)
Changes in assumptions	(276,797)	(4,516,611)	187,532	5,261,591	300,287	-
Benefit payments	(533,096)	(505,304)	(213,778)	(202,633)	(206,001)	(195,262)
Net change in total OPEB liability	546,193	(6,312,130)	1,575,342	6,144,277	1,552,818	470,743
Total OPEB liability - beginning	16,196,818	22,508,948	20,933,606	14,789,329	13,236,511	12,765,768
Total OPEB liability - ending	<u>\$ 16,743,011</u>	<u>\$ 16,196,818</u>	<u>\$ 22,508,948</u>	<u>\$ 20,933,606</u>	<u>\$ 14,789,329</u>	<u>\$ 13,236,511</u>
Covered-employee payroll	\$ 5,728,833	\$ 5,561,974	\$ 5,854,848	\$ 5,684,318	\$ 5,879,642	\$ 5,708,390
Total OPEB liability as a percentage of covered-employee payroll	292.26%	291.21%	384.45%	368.27%	251.53%	231.88%

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

ST. TAMMANY PARISH CLERK OF COURT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CLERK'S PROPORTIONATE SHARE OF
 NET PENSION LIABILITY
FOR THE NINE YEARS ENDED JUNE 30, 2023

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a % of its Covered- Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
6/30/23	5.686209%	\$ 13,782,027	\$ 5,820,461	236.79%	74.09%
6/30/22	5.981688%	\$ 7,957,071	\$ 6,042,215	131.69%	85.40%
6/30/21	5.659301%	\$ 13,615,517	\$ 5,615,188	242.48%	72.09%
6/30/20	5.642385%	\$ 10,246,527	\$ 5,463,336	187.55%	77.93%
6/30/19	5.908086%	\$ 9,826,924	\$ 5,492,342	178.92%	79.07%
6/30/18	5.404588%	\$ 8,176,785	\$ 4,871,547	167.85%	79.69%
6/30/17	5.532757%	\$ 10,235,458	\$ 5,041,284	203.03%	74.17%
6/30/16	5.696949%	\$ 8,545,603	\$ 5,030,343	169.88%	78.13%
6/30/15	5.575037%	\$ 7,756,454	\$ 4,894,769	158.46%	79.37%

The amounts presented above have a measurement date of the previous fiscal year.

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

ST. TAMMANY PARISH CLERK OF COURT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS TO THE
 LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
FOR THE NINE YEARS ENDED JUNE 30, 2023

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
6/30/23	\$ 1,586,572	\$ 1,586,572	\$ -	\$ 5,991,550	26.48%
6/30/22	\$ 1,295,053	\$ 1,295,053	\$ -	\$ 5,820,461	22.25%
6/30/21	\$ 1,268,865	\$ 1,268,865	\$ -	\$ 6,042,215	21.00%
6/30/20	\$ 1,066,886	\$ 1,066,886	\$ -	\$ 5,615,188	19.00%
6/30/19	\$ 1,038,034	\$ 1,038,034	\$ -	\$ 5,463,336	19.00%
6/30/18	\$ 1,043,545	\$ 1,043,545	\$ -	\$ 5,492,342	19.00%
6/30/17	\$ 925,594	\$ 925,594	\$ -	\$ 4,871,547	19.00%
6/30/16	\$ 957,844	\$ 957,844	\$ -	\$ 5,041,284	19.00%
6/30/15	\$ 955,765	\$ 978,995	\$ (23,230)	\$ 5,030,343	19.46%

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

ST. TAMMANY PARISH CLERK OF COURT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

1. BUDGETARY BASIS OF ACCOUNTING:

The General Fund budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with the accounting principles generally accepted in the United States of America.

2. OTHER POSTEMPLOYMENT BENEFITS (OPEB):

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 7 to the financial statements. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

Changes in Assumptions:

Valuation Date	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Discount Rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.62%
Mortality	RP-2014	RP-2014	RP-2014	RP-2014	RP-2000	RP-2000
Trend	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%	5.50%	5.50%

Changes in Benefit Terms:

There were no changes to benefit terms during the years presented.

3. PENSION:

Changes in Benefit Terms:

There were no changes to benefit terms during the years presented.

Changes of Assumptions:

Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Investment Rate of Return	6.55%	6.55%	6.75%	6.75%
Inflation Rate	2.40%	2.40%	2.50%	2.50%
Salary Increases				
1-5 Years of Service	6.20%	6.20%	6.20%	5.00%
Above 5 Years of Service	5.00%	5.00%	5.00%	5.00%
Mortality Rate Non-Disabled	Pub-2010 Public Retirement Plans Mortality Tables	Pub-2010 Public Retirement Plans Mortality Tables	Pub-2010 Public Retirement Plans Mortality Tables	RP2000 Tables
Mortality Rate Disabled	Pub-2010 Public Retirement Plans Mortality Tables	Pub-2010 Public Retirement Plans Mortality Tables	Pub-2010 Public Retirement Plans Mortality Tables	RP2000 Tables

ST. TAMMANY PARISH CLERK OF COURT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

3. PENSION: (Continued)

Changes of Assumptions: (Continued)

Valuation Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Investment Rate of Return	6.75%	7.00%	7.00%	7.00%	7.25%
Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.75%
Salary Increases					
1-5 Years of Service	5.00%	5.00%	5.00%	5.00%	5.75%
Above 5 Years of Service	5.00%	5.00%	5.00%	5.00%	5.75%
Mortality Rate Non-Disabled	RP2000 Tables				
Mortality Rate Disabled	RP2000 Tables				

ST. TAMMANY PARISH CLERK OF COURT
OTHER SUPPLEMENTARY INFORMATION
GOVERNMENTAL FUNDS SCHEDULE OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2023

COURT COSTS, FEES, AND CHARGES:

Advance deposit	\$ 4,177,445
Criminal cost	455,780
Non-support	268,985
Court attendance	81,904
SE legal service costs	15,900
Total court costs, fees, and charges	5,000,014

RECORDING LEGAL DOCUMENTS:

Recording	4,317,502
Portal fees	110,295
Cancellations	432,802
Certificates	27,476
UCC fees	90,775
Parish council costs	28,522
Total recording legal documents	5,007,372

FEES FOR OTHER SERVICES:

Birth certificates	104,310
Marriage licenses	27,645
Passports	138,790
	270,745

FEES FOR ON-LINE PUBLIC ACCESS

384,464

CERTIFIED COPIES

120,731

INTEREST INCOME

187,208

OTHER REVENUE:

Other	64,298
Total other revenue	64,298

TOTAL REVENUE

\$ 11,034,832

ST. TAMMANY PARISH CLERK OF COURT
OTHER SUPPLEMENTARY INFORMATION
GOVERNMENTAL FUNDS SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

ADMINISTRATION:	
Personnel services	\$ 260,462
Operating services	97,235
Materials and supplies	4,747
Seminars and conventions	9,999
Total administration	<u>372,443</u>
RECORDING AND FILINGS:	
Personnel services	1,358,171
Operating services	89,369
Materials and supplies	26,817
Seminars and conventions	8,901
Total recording and filings	<u>1,483,258</u>
MORTGAGE CERTIFICATES:	
Personnel services	235,632
Operating services	76,899
Materials and supplies	13,546
Seminars and conventions	966
Total mortgage certificates	<u>327,043</u>
CIVIL SUITS AND PROBATES:	
Personnel services	3,637,578
Operating services	469,498
Materials and supplies	90,607
Seminars and conventions	17,897
Total civil suits and probates	<u>4,215,580</u>
CRIMINAL SUITS AND MINUTES:	
Personnel services	1,748,156
Operating services	232,123
Material and supplies	45,268
Seminars and conventions	13,530
Total criminal suits and minutes	<u>2,039,077</u>

(Continued)

ST. TAMMANY PARISH CLERK OF COURT
OTHER SUPPLEMENTARY INFORMATION
GOVERNMENTAL FUNDS SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

ELECTIONS:

Personnel services	\$ 235,694
Operating services	31,452
Material and supplies	(23,379)
Seminars and conventions	4,266
Total elections	248,033

INFORMATION TECHNOLOGY:

Personnel services	390,643
Operating services	189,578
Materials and supplies	23,000
Seminars and conventions	5,128
Total information technology	608,349

FINANCE:

Personnel services	855,739
Operating services	141,687
Materials and supplies	19,260
Seminars and conventions	4,123
Total finance	1,020,809

HUMAN RESOURCES:

Personnel services	305,262
Operating services	18,065
Materials and supplies	6,851
Seminars and conventions	10,956
Total human resources	341,134

RECORDS MANAGEMENT:

Personnel services	585,791
Operating services	43,811
Materials and supplies	27,703
Seminars and conventions	14,954
Total records management	672,259

(Continued)

ST. TAMMANY PARISH CLERK OF COURT
 OTHER SUPPLEMENTARY INFORMATION
 GOVERNMENTAL FUNDS SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

PURCHASING:	
Personnel services	\$ 69,072
Operating services	3,352
Materials and supplies	2,238
Seminars and conventions	313
Total purchasing	<u>74,975</u>
RETIREES:	
Personnel services	<u>436,696</u>
Total retirees	<u>436,696</u>
DEBT SERVICE:	
Principal	440,155
Interest	19,729
Total debt service	<u>459,884</u>
TOTAL EXPENDITURES	<u><u>\$ 12,299,540</u></u>

ST. TAMMANY PARISH CLERK OF COURT
 OTHER SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS,
 AND OTHER PAYMENTS TO THE CLERK OF COURT
FOR THE YEAR ENDED JUNE 30, 2023

Clerk of Court : Honorable Melissa Henry

Salary	\$ 126,345
Certification pay	8,844
Statutory allowance expense	16,099
Statutory allowance auto expense	16,099
Statutory allowance supplemental pay	25,800
Statutory allowance custodian voting machines	2,400
Benefits - medical, dental, and life insurance	16,507
Benefits - retirement	7,526
Benefits - 457 (b) matching	12,504
Benefits - health savings account employer contribution	3,345
Lodging and transportation	6,225
Meals	1,172
Convention seminar registration	3,440
Total compensation, benefits, and other payments	\$ 246,306

ST. TAMMANY PARISH CLERK OF COURT - ENTITY ID #1196
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED JUNE 30, 2023

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 9,887,383	\$ 12,830,785
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	\$ 5,692,059	\$ 5,160,223
Bond Fees	427,197	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service)	-	-
Interest Earnings on Collected Balances	18,415	39,381
Other	-	-
Subtotal Collections	<u>\$ 6,137,671</u>	<u>\$ 5,199,604</u>
Less: Disbursements To Governments & Nonprofits:		
Acadia Parish Sheriff's Office	\$ 357	\$ 103
Allen Parish Sheriff's Office	-	121
Ascension Parish Sheriff's Office	1,103	1,353
Assumption Parish Sheriff's Office	-	-
Avoyelles Parish Sheriff's Office	187	6
Bienville Parish Sheriff's Office	-	105
Beauregard Parish Sheriff's Office	61	-
Bossier Parish Sheriff's Office	193	272
Caddo Parish Sheriff's Office	399	338
Calcasieu Parish Sheriff's Office	2,279	684
Caldwell Parish Sheriff's Office	32	64
Catahoula Parish Sheriff's Office	-	-
Concordia Parish Sheriff's Office	-	-
De Soto Parish Sheriff's Office	-	32
East Baton Rouge Sheriff's Office	59,745	55,498
East Feliciana Parish Sheriff's Office	148	293
Evangeline Parish Sheriff's Office	69	-
Franklin Parish Sheriff's Office	-	31

(Continued)

ST. TAMMANY PARISH CLERK OF COURT - ENTITY ID #1196
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Iberia Parish Sheriff's Office OPS	\$ 99	\$ 247
Iberville Parish Sheriff's Office	71	172
Jefferson Davis Parish Sheriff's Office	180	36
Jefferson Parish Sheriff's Office	12,206	23,131
Lafayette Parish Sheriff's Office	2,240	2,846
Lafourche Parish Sheriff's Office	637	710
LaSalle Parish Sheriff's Office	32	51
Lincoln Parish Sheriff's Office	64	95
Livingston Parish Sheriff's Office	1,434	1,703
Madison Parish Sheriff's Office	30	62
Natchitoches Parish Sheriff's Office	-	-
Orleans Parish Sheriff Office	14,363	19,355
Ouachita Parish Sheriff's Office	331	379
Plaquemines Parish Sheriff's Office	242	516
Pointe Coupee Parish Sheriff's Office	64	43
Rapides Parish Sheriff's Office	89	145
Richland Parish Sheriff's Office	33	182
St. John the Baptist Parish Sheriff's Office	297	791
St. Bernard Parish Sheriff's Office	1,413	1,857
St. Charles Parish Sheriff's Office	600	1,306
St. Helena Parish Sheriff's Office	1	139
St. James Parish Sheriff's Office	-	142
St. Landry Parish Sheriff's Office	179	232
St. Martin Parish Sheriff's Office	47	109
St. Mary Parish Sheriff's Office	209	447
St. Tammany Parish Sheriff's Office	27,876	48,028
Tangipahoa Parish Sheriff's Office	9,268	12,072
Terrebonne Parish Sheriff's Office	635	796
Union Parish Sheriff	32	-
Vermilion Parish Sheriff's Office	123	121
Vernon Parish Sheriff's Office	-	70
Washington Parish Sheriff's Office	6,850	6,739
Webster Parish Sheriff's Office	142	53
West Baton Rouge Parish Sheriff's Office	372	112
West Carroll Parish Sheriff	-	32
West Feliciana Parish Sheriff's Office	-	30
Winn Parish Sheriff's Office	-	-

(Continued)

ST. TAMMANY PARISH CLERK OF COURT - ENTITY ID #1196
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Secretary of State	\$ 43,650	\$ 34,350
Commissioner of Insurance	-	-
Court of Appeal	10,496	9,846
Parish Council	76,229	185,939
Supreme Court	3,960	5,284
Southeast Legal Services	32,369	45,950
Judges Supplemental Compensation Fund	103,868	145,733
Judicial Expense Fund	51,628	67,490
LA Unclaimed Property	12,304	27,920
STP Domestic Violence	1,457	3,447
Supreme Court Judicial College Fund	1,711	2,495
Louisiana Department of Children and Family Services	76,219	149,855
 Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	1,904,509	2,816,253
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)	-	-
 Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Stenographers	15,738	10,192
Curators	47,015	52,177
Bank Interest / Service Fee	7,384	7,895
Civil Fee Refunds	563,583	1,054,435
Bond Fee Refunds	21,648	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	75,767	40,768
Payments to 3rd Party Collection/Processing Agencies	-	-
	<hr/>	<hr/>
Subtotal Disbursements/Retainage	\$ 3,194,269	\$ 4,841,678
 Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)		
	<u>\$ 12,830,785</u>	<u>\$ 13,188,711</u>

ST. TAMMANY PARISH CLERK OF COURT - ENTITY ID #1196
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	\$ -	\$ -
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	\$ -	\$ -
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	\$ -	\$ -



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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

January 3, 2024

To the Honorable Melissa Henry
St. Tammany Parish Clerk of Court
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated January 3, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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*, which is described in the accompanying schedule of findings as item 2023-01.

Clerk's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Clerk's response to the finding identified in our audit and described in the accompanying schedule of findings. The Clerk's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express not 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 Legislative Auditor as a public document.

Duplantier, Sharpner, Hogan and Parker, LLP

New Orleans, Louisiana

ST. TAMMANY PARISH CLERK OF COURT
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on the financial statements of the St. Tammany Parish Clerk of Court.
2. No significant deficiencies or material weaknesses.
3. One instance of noncompliance and other matters required to be reported in accordance with *Government Auditing Standards* was disclosed during the audit, which was reported as finding 2023-01 below.
4. A management letter was not issued for the year ended June 30, 2023.

SECTION II FINANCIAL STATEMENTS FINDINGS:

- No findings noted.

SECTION III COMPLIANCE AND OTHER MATTERS:

2023-01 Budget Act

Criteria: A revised amended budget is required to reflect a change in operations when actual expenditures exceed budgeted expenditures by more than 5%.

Condition: Actual expenditures exceeded 5% of the amended budget.

Effect: The Clerk was not in compliance with the Budget Act.

Recommendation: It is recommended that management monitor the budget with final expenditures for the fiscal year and revise amended budgets as applicable.

Management's Corrective Action: Management will continually monitor the amended budget with final actual amounts and amended the budget as needed in accordance with the Budget Act.

STATUS OF PRIOR YEAR FINDINGS:

- No prior year findings.

ST. TAMMANY PARISH CLERK OF COURT
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR JULY 01, 2022
THROUGH JUNE 30, 2023

ST. TAMMANY PARISH CLERK OF COURT

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 29, 2003

St. Tammany Parish Clerk of Court and
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 year July 01, 2022 through June 30, 2023. St. Tammany Parish Clerk of Court's management is responsible for those C/C areas identified in the SAUPs.

St. Tammany Parish Clerk of Court (Clerk of Court) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 01, 2022 through June 30, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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1) Written Policies and Procedures

- A. **Procedure:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- x. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

As a result of applying the above agreed-upon procedures, we noted the following:

- Contract policies and procedures did not contain language regarding types of services requiring written conditions, standard terms and conditions, or legal review.
- Ethics policies and procedures did not contain language regarding required documentation being maintained to demonstrate that all employees are notified of any changes to the entity's ethics policies.

Response: The Clerk of Court will update the contract and ethics policies to include required procedures.

2) **Board or Finance Committee**

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

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

3) *Bank Reconciliations*

- A. **Procedure:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

As a result of applying the above agreed-upon procedures, we noted the following:

- The bank reconciliations did not include written evidence that they were prepared within 2 months of the related statement closing date.
- For two accounts selected, there was no written documentation reflecting management researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Response: The Clerk of Court will require management to include the date the bank reconciliations were completed in addition to documentation of the research performed on reconciling items over 12 months outstanding.

4) *Collections (excluding electronic funds transfers)*

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

- B. **Procedure:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

- D. **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

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

Results: As a result of applying the above agreed-upon procedures, no finding were noted.

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

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

- C. **Procedure:** For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

- B. **Procedure:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such

approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

Results: As a result of applying the above agreed-upon procedures, we noted that there was no written signature/initial by the accountant reconciling the credit card statements or the finance director who reviews the reconciliation.

Response: The Clerk of Court will ensure written documentation is obtained on the reconciliation of the credit card statements from the accountant performing the reconciliation and director of finance who reviews the reconciliation.

- C. **Procedure:** Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

- A. **Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

8) *Contracts*

- A. **Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

9) *Payroll and Personnel*

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

10) *Ethics*

- A. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

11) Debt Service

- A. **Procedure:** 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: This section is not applicable. The Clerk of Court does not have debt.

- B. **Procedure:** 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).

Results: This section is not applicable. The Clerk of Court does not have debt.

12) Fraud Notice

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

Results: Not applicable, the entity did not report any misappropriations during FYE June 2023.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

13) Information Technology Disaster Recovery/Business Continuity

A. **Procedure:** Perform the following procedures,

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the above agreed-upon procedure and discussed the results with management of St. Tammany Parish Clerk of Court.

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

Results: We performed the above agreed-upon procedure and discussed the results with management of St. Tammany Parish Clerk of Court.

14) Prevention of Sexual Harassment

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

- C. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: As a result of applying the above agreed-upon procedures, no findings were noted.

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

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

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

Duplantier, Sharpner, Hogan and Parker, LLP

New Orleans, Louisiana