

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

*Financial Statements*  
*For the Year Ended June 30, 2020*

**Morehouse Parish Police Jury**  
Bastrop, Louisiana

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**Morehouse Parish Police Jury**  
Bastrop, Louisiana

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## INDEPENDENT AUDITOR'S REPORT

Honorable Carol Jones  
Morehouse Parish Clerk of Court  
Bastrop, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Morehouse Parish Clerk of Court (Clerk of Court), a component unit of Morehouse Parish Police Jury, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## *Opinions*

In my opinion, the basic 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 Morehouse Parish Clerk of Court, a component unit of Morehouse Parish Police Jury, as of June 30, 2020, 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.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan, Schedule of Funding Progress for Other Post-Employment Benefits and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morehouse Parish Clerk of Court's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on my consideration of the Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

*David M. Nault, CPA (APAC)*

West Monroe, Louisiana  
December 2, 2020

REQUIRED SUPPLEMENTAL INFORMATION (PART A)  
MANAGEMENT'S DISCUSSION AND ANALYSIS

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

As management of the Morehouse Parish Clerk of Court, I offer readers of the Morehouse Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Morehouse Parish Clerk of Court for the fiscal year ended June 30, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in his independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

***Government-Wide financial statements.*** The *government-wide financial statements* are designed to provide readers with a road overview of the Morehouse Parish Clerk of Court's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Morehouse Parish Clerk of Court's assets and liabilities, with the difference between the two 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 Morehouse Parish Clerk of Court is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

***Fund financial statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Morehouse Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Morehouse Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Morehouse Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

***Fiduciary funds.*** Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Morehouse Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide statement.

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

***Other Information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Morehouse Parish Clerk of Court's performance.

The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Morehouse Parish Clerk of Court exceeded assets by \$955,808, mainly due to the Net OPEB Obligation and Net Pension Liability. The largest portion of the Morehouse Parish Clerk of Court's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending. The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Morehouse Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e. debt), and 2) required depreciation on assets.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

STATEMENT OF NET POSITION

	June 30	
	2020	2019
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,153,786	\$ 1,358,919
Receivables	19,006	25,574
Capital Assets (net of accumulated depreciation)	12,438	1,247
Total Assets	1,185,230	1,385,740
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related	318,534	299,293
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 1,503,764	\$ 1,685,033
 <b>LIABILITIES</b>		
Accounts Payable	\$ 5,420	\$ 7,668
Net Pension Liability	1,022,801	943,221
Net OPEB Obligation	1,426,725	1,057,908
Total Liabilities	2,454,946	2,008,797
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related	4,626	15,230
 <b>NET POSITION</b>		
Invested in Capital Assets, net of related debt	12,438	1,247
Unrestricted	(968,246)	(340,241)
Total Net Position	(955,808)	(338,994)
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	\$ 1,503,764	\$ 1,685,033

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF ACTIVITIES

	June 30	
	2020	2019
<b>JUDICIAL:</b>		
Personal Services	\$ 1,327,317	\$ 957,488
Operating Services	113,781	163,585
Materials and Supplies	14,997	15,785
Travel	47,664	49,548
Depreciation Expense	3,478	1,029
Total Program Expenses	1,507,237	1,187,435
<b>PROGRAM REVENUES:</b>		
Licenses and Permits - Marriage	3,564	2,792
Clerk's Supplemental Compensation	24,600	24,500
Court Costs, Fees, and Charges	320,867	346,034
Fees for Recording Legal Documents	301,616	318,120
Fees for Certified Copies of Documents	65,304	63,233
Criminal Fees	11,519	16,066
UCC Fees	51,695	81,252
Other Fees	92,115	133,766
Bond Forfeitures	1,180	1,676
Total Program Revenues	872,460	987,439
<b>NET PROGRAM EXPENSES</b>	(634,777)	(199,996)
<b>GENERAL REVENUES:</b>		
Grants and Contributions Not Restricted to Specific Programs:		
Interest Earned	7,437	4,979
Other	10,526	7,281
Total General Revenues	17,963	12,260
<b>CHANGE IN NET POSITION</b>	(616,814)	(187,736)
<b>NET POSITION - BEGINNING OF THE YEAR</b>	(338,994)	(151,258)
<b>NET POSITION - END OF THE YEAR</b>	\$ (955,808)	\$ (338,994)

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

**Financial Analysis of the Government's Funds**

As noted earlier, the Morehouse Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the General Fund unreserved, undesignated fund balance of \$1,167,372 showed a decrease of \$209,453 from June 30, 2019.

**General Fund Budgetary Highlights**

Differences between revenues of the original budget and the final budget were due primarily to the decreases in licenses and permits, clerks supplemental compensation, fees for certified copies. UCC fees, other fees, use of money and property and other revenues and an increase in court costs, fees, and charges and fees for recording legal documents. The differences in the expenditures of the original budget and the final budget was due to an increase in personal services and related benefits and travel and other charges and decreases in operating services and capital outlay.

**Capital Asset and Debt Administration**

**Capital assets.** The Morehouse Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$12,438 (net of accumulated depreciation). This investment includes furniture and equipment. There were no additions or deletions in capital assets for the year.

**Long-term debt.** The Morehouse Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2020 is \$1,426,725. Net pension liability is \$1,022,801 at June 30, 2020.

**Requests for Information**

This financial report is designed to provide a general overview of the Morehouse Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Morehouse Parish Clerk of Court, Courthouse Building, Bastrop, LA 71220.

BASIC FINANCIAL STATEMENTS

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 523,786
Investments	630,000
Accounts Receivable	19,006
Capital Assets:	
Depreciable	<u>12,438</u>
Total Assets	<u>1,185,230</u>
<i>Deferred Outflows of Resources</i>	
Resources Related to Pensions	318,534
<i>Liabilities</i>	
Accounts Payable	5,420
Net Pension Liability	1,022,801
Net OPEB Obligation	<u>1,426,725</u>
Total Liabilities	2,454,946
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions and OPEB	4,626
<i>Net Position</i>	
Net Investment in Capital Assets	12,438
Net Position - Unrestricted	<u>(968,246)</u>
Total Net Position	<u>\$ (955,808)</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities: Public Safety & Judicial Prosecution	<u>\$ 1,507,237</u>	<u>\$ 872,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (634,777)</u>
			General Revenues:		
			Interest Earnings		7,437
			Miscellaneous		<u>10,526</u>
			Total General Revenues		<u>17,963</u>
			Changes in Net Position		(616,814)
			Net Position - Beginning		<u>(338,994)</u>
			NET POSITION - ENDING		<u>\$ (955,808)</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND  
JUNE 30, 2020

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 523,786
Investments	630,000
Accounts Receivable	19,006
Interfund Receivables	-
<u>Total Assets</u>	\$ 1,172,792
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities</u>	
Accounts Payable	\$ 5,420
Interfund Payables	-
<u>Total Liabilites</u>	5,420
<u>Fund Balance</u>	
Unassigned	1,167,372
<u>TOTAL LIABILITIES AND</u> <u>FUND BALANCE</u>	\$ 1,172,792

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND  
JUNE 30, 2020

**Reconciliation of the Balance Sheet of the Governmental Funds  
to the Statement of Net Position**

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

Fund Balance, Governmental Funds:	\$ 1,167,372
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	12,438
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(1,022,801)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	313,908
Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements: Net OPEB obligation	<u>(1,426,725)</u>
Net Position of Governmental Activities	<u>\$ (955,808)</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>
<u>Operating Revenue</u>	
Licenses and Permits - Marriage	\$ 3,564
Intergovernmental Revenues - State Funds:	
Clerk's Supplemental Compensation	24,600
Fees, Charges, and Commissions for Services:	
Court Costs, Fees, and Charges	258,936
Fees for Recording Legal Documents	301,616
Fees for Certified Copies of Documents	65,304
Criminal Fees	11,519
UCC Fees	51,695
Other	92,115
Bond Forfeitures	1,180
Use of Money and Property - Interest Earnings	7,437
Other	10,526
Total Operating Revenue	828,492
<u>Operating Expenditures</u>	
Current:	
General Government	
Personnel Services	846,834
Contractual Charges	113,781
Materials and Supplies	29,666
Travel and Other Charges	47,664
Total Operating Expenditures	1,037,945
<u>Excess (Deficiency) of Revenues Over</u>	
<u>Expenditures</u>	(209,453)
<u>Fund Balance - Beginning of the Year</u>	1,376,825
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 1,167,372

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities**

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

Net change in fund balances - total governmental funds		\$ (209,453)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	14,669	
Less current year depreciation	<u>(3,478)</u>	
		11,191
Postretirement benefit plan expenditures		(368,817)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.		61,931
The District's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported in the governmental funds.		<u>(111,666)</u>
Changes in net position of governmental activities		<u><u>\$ (616,814)</u></u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2020

ASSETS

Cash and Cash Equivalents \$ 1,535,646

TOTAL ASSETS 1,535,646

LIABILITIES

Deposits Due Others 1,535,646

TOTAL LIABILITIES \$ 1,535,646

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
BALANCES DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Non Support Fund</u>	<u>Total</u>
<b><u>Unsettled Deposits at</u></b>				
<b><u>Beginning of the Year</u></b>	\$ 1,190,509	\$ 80,984	\$ 9	\$ 1,271,502
<b>Additions</b>				
Appropriations from State	-	-	19,173	19,173
Deposits in Suits	484,615	191,567	-	676,182
Interest Earned on Investments	-	53	3	56
Total Additions	<u>484,615</u>	<u>191,620</u>	<u>19,176</u>	<u>695,411</u>
Total	1,675,124	272,604	19,185	1,966,913
<b>Reductions</b>				
Clerk's Costs to General Fund	249,856	-	13,766	263,622
Deposits Settled To:				
Litigants	71,204	3,486	-	74,690
Appraisers, Curators, and Keepers	13,533	-	-	13,533
Sheriff	28,295	-	2,205	30,500
Other Reductions	48,922	-	-	48,922
Total Reductions	<u>411,810</u>	<u>3,486</u>	<u>15,971</u>	<u>431,267</u>
<b><u>UNSETTLED DEPOSITS AT</u></b>				
<b><u>END OF THE YEAR</u></b>	<u>\$ 1,263,314</u>	<u>\$ 269,118</u>	<u>\$ 3,214</u>	<u>\$ 1,535,646</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**INTRODUCTION**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION** The accompanying basic financial statements of the Morehouse Parish Clerk of Court have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

**B. REPORTING ENTITY** The Clerk of Court is an independent elected official; however, the Clerk of Court is fiscally dependent on the Ouachita and Morehouse Parish Police Juries. The police juries maintain and operate the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture of the Clerk of Court's office.

For these reasons, the Clerk of Court was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity, in as much as it provides significantly more support to the reporting entity than does the Morehouse Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. REPORTING ENTITY (CONTINUED)**

Because the Clerk of Court is fiscally dependent on the police jury, the Clerk of Court was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. FUND ACCOUNTING** The Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk of court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the Clerk of Court are classified into two categories; governmental and fiduciary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds** Governmental funds account for all or most of the Clerk of Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. The following is the Clerk of Court's governmental fund:

*General Fund* – The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Clerk of Court and is used to account for the operations of the clerk'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.

**Fiduciary Funds** The Advance Deposit, Registry of Court and Non Support Expense agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

*Government- Wide Financial Statements*

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*. Fiduciary funds are not included in the government-wide financial statements.

*Program Revenues* - Program revenues included in the Statement of Activities derive directly from parties outside the Clerk of Court's taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the Clerk of Court's general revenues.

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**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

*Fund Financial Statements (FFS)*

The amounts reflected in the Governmental funds statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund and Other Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

*Revenues*

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collectors.

Grants are recorded when the Clerk of Court is entitled to the funds. Interest earned on investments is recorded when the investment has matured and the income is available. Substantially all other revenues are recorded when received.

*Expenditures*

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. BUDGETS** The Clerk of Court uses the following budget practices:

An annual operating budget is adopted each year for the General Fund and the modified accrual basis of accounting is used to reflect actual revenues and expenditures, which is consistent with accounting principles generally accepted in the United States of America.

All appropriations lapse at year-end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the Clerk of Court does not use encumbrance accounting.

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**F. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Clerk of Court considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**G. INVESTMENTS** Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

**H. CAPITAL ASSETS** Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing capital assets.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years

**I. ANNUAL AND SICK LEAVE** All employees of the Clerk of Court's office earn from 5 to 20 days of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the Clerk's office earn five days of sick leave annually. A maximum of 420 hours (60 days) sick leave may be accumulated and carried forward to the succeeding calendar year. Employees are not paid for accumulated sick leave upon termination of employment.

**J. RISK MANAGEMENT** The Clerk is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering professional liability and surety bond coverage. In addition to the above policies, the Clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2019.

**L. FUND BALANCE OF FUND FINANCIAL STATEMENTS**

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

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**L. FUND BALANCE OF FUND FINANCIAL STATEMENTS (CONTINUED)**

Committed: Fund balance that can only be used for specific purposes determined by the Clerk of Court. Committed amounts cannot be used for any other purpose unless the Clerk of Court removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the Clerk of Court's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the Clerk of Court.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The Clerk of Court reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Clerk of Court considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

**M. INTERFUND TRANSACTIONS** Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

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

**O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES** In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Clerk of Court has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Clerk of Court has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

For purposes 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 retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

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**O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)**

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

**Interest Rate Risk:** The Clerk of Court’s policy does not address interest rate risk.

**Credit Risk:** The Clerk of Court’s investments are in Certificates of Deposits which do not have credit ratings; however, the Clerk’s policy does not address credit rate risk.

**Custodial Credit Risk:** At year-end the Clerk of Court’s carrying amount of deposits was \$2,675,797 and the bank balance was \$7,607,033, which includes \$910,000 in certificate of deposits classified as investments.

Of the bank balance, \$1,500,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Clerk of Court’s name. The Clerk of Court’s policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 – RECEIVABLES**

The following is a summary of receivables at June 30, 2020:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Appropriation from State	\$ -	\$ 1,089	\$ 1,089
Suits and Successions	-	12,546	12,546
Fees, Charges and Commissions for Services:			
Recordings, Cancellations, Mortgages, etc.	15,495	-	15,495
Court Attendance	2,798	-	2,798
Criminal Fees	<u>713</u>	<u>-</u>	<u>713</u>
Total	<u>\$ 19,006</u>	<u>\$ 13,635</u>	<u>\$ 32,641</u>

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**NOTE 4 – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2020, is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Furniture & Equipment	\$ 266,747	\$ 14,669	\$ -	\$ 281,416
Less Accumulated Depreciation				
Furniture & Equipment	<u>265,500</u>	<u>3,478</u>	<u>-</u>	<u>268,978</u>
Capital Assets, Net	<u>\$ 1,247</u>	<u>\$ 11,191</u>	<u>-</u>	<u>\$ 12,438</u>

Depreciation expense of \$3,478 was charged to the judicial function.

**NOTE 5 – PENSION PLAN**

**Retirement Systems**

**Louisiana Clerks' of Court Retirement and Relief Fund (Fund)**

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

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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 65 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 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.

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**NOTE 5 – PENSION PLAN (Continued)**

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.

The Fund also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2020, the Morehouse Parish Clerk of Court total payroll for all employees was \$585,834. Total covered payroll was \$551,570. Covered payroll refers to all compensation paid by the Morehouse Parish Clerk of Court to active employees covered by the Plan.

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 19%. The Morehouse Parish Clerk of Court's contributions to the Fund for the year ending June 30, 2019 were \$104,627.

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2019, was \$10,995,780.

Members are required by state statute to contribute 8.25% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Morehouse Parish Clerk of Court to the Fund monthly.

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

At June 30, 2020, the Assessor reported a liability of \$1,022,801 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Morehouse Parish Clerk of Court's proportion of the Net Pension Liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Assessor's proportion was 0.563219%, which was a decrease of 0.003859% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Morehouse Parish Clerk of Court recognized pension expense of \$209,529 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$97,863). Total pension expense for the Clerk for the year ended June 30, 2020 was \$111,666.

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**NOTE 5 – PENSION PLAN (Continued)**

At June 30, 2020, the Assessor 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
Differences between expected and actual experience	28,718	-
Changes in assumptions	65,381	-
Net difference between projected and actual earnings on pension plan	79,239	-
Changes in employer's proportion of beginning net pension liability	40,551	4,519
Differences between employer and proportionate share of contributions	18	107
Subsequent measurement contributions	104,627	-
Total	318,534	4,626

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,	
2021	83,887
2022	34,162
2023	64,061
2024	27,172

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected salary increases	5.00%
Inflation rate	2.50%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females)  RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)  RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females
Expected remaining service lives	2019 – 5 years 2018 – 5 years 2017 – 5 years

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	2016 – 5 years 2015 – 5 years 2014 – 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The actuarial assumptions used are based on the assumptions used in the 2018 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 through June 30, 2014, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with 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, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected return, 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 6.38%, for the year ended June 30, 2018. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2019, is summarized in the following table:

Asset Class	Target Allocation	Asset	Long-Term Expected Rate of Return	Real
Fixed Income:				
Domestic Bonds	20.00%		2.50%	
International Bonds			3.50%	
Domestic Equity	33.00%		7.50%	
International Equity	27.00%		8.50%	
Real Estate	10.00%		4.50%	
Hedge Funds	10.00%		6.59%	
	100.00%			

MOREHOUSE PARISH CLERK OF COURT  
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**NOTE 5 – PENSION PLAN (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. 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 the Board of Trustees and the Public Retirement System's Actuarial Committee (PRSAC), taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Morehouse Parish Clerk of Court's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	1,519,713	1,022,801	601,247

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

*Plan Fiduciary Net Position*

Detailed information about the Fund's fiduciary net position is available in the separately issued Louisiana Clerks' of Court Retirement and Relief Fund Audit Report.

**NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**General Information about the OPEB Plan**

*Plan description* – The Morehouse Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The Morehouse 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 in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

*Benefits Provided* – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief

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**NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)**

Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 25 years of service; or, attainment of age 60 and 20 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

*Employees covered by benefit terms* – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	11
	16

**Total OPEB Liability**

The Clerk’s total OPEB liability of \$1,426,725 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior discount rate	3.5% annually
Discount rate	2.21% annually
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers’ 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

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**NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

**Changes in the Total OPEB Liability**

Balance at June 30, 2019	\$ 1,057,908
Changes for the year:	
Service cost	70,818
Interest	38,266
Differences between expected and actual experience	(165,187)
Changes of assumptions	442,101
Benefit payments and net transfers	(17,181)
Net changes	368,817
 Balance at June 30, 2020	 \$ 1,426,725

*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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
Total OPEB liability	\$ 1,705,693	\$ 1,426,725	\$ 1,208,601

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 1,264,852	\$ 1,426,725	\$ 1,639,623

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

For the year ended June 30, 2020, the Clerk recognized OPEB expense of \$141,847. At June 30, 2020, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,152	\$ (157,051)
Changes in assumptions	392,979	-
Total	\$ 429,131	\$ (157,051)

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**NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)**

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

Years ending June 30:	
2021	32,763
2022	32,763
2023	32,763
2024	32,763
2025	32,763
Thereafter	108,264

**NOTE 7 – CHANGES IN AGENCY FUND BALANCES**

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Advance Deposit Fund	\$ 1,190,509	\$ 484,615	\$ 411,810	\$ 1,263,314
Registry of Court Fund	80,984	191,620	3,486	269,118
Non Support Fund	9	19,176	15,971	3,214
Total	<u>\$1,271,502</u>	<u>\$ 695,411</u>	<u>\$ 431,267</u>	<u>\$1,535,646</u>

**NOTE 8 – LITIGATION AND CLAIMS**

The Morehouse Parish Clerk of Court is not involved in any litigation at June 30, 2020, nor is she aware of any unasserted claims.

**NOTE 9 – EXPENDITURES OF THE CLERK OF COURT PAID BY THE POLICE JURY**

The Morehouse Parish Clerk of Court’s office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Morehouse Parish Police Jury.

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 2, 2020, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

**NOTE 11– COVID 19**

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Council and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenue</u>				
Licenses and Permits - Marriage	3,500	3,560	\$ 3,564	\$ 4
Clerk's Supplemental Compensation	24,600	24,600	24,600	-
Court Costs, Fees, and Charges	315,000	249,850	258,936	9,086
Fees for Recording Legal Documents	360,000	301,600	301,616	16
Fees for Certified Copies of Documents	60,700	65,303	65,304	1
Criminal Fees	15,000	11,500	11,519	19
UCC Fees	52,000	51,690	51,695	5
Other Fees	95,850	105,784	92,115	(13,669)
Bond Forfeitures	1,200	1,180	1,180	-
Use of Money and Property - Interest Earnings	7,000	7,425	7,437	12
Other	4,500	6,245	10,526	4,281
Total Operating Revenues	<u>\$ 939,350</u>	<u>\$ 828,737</u>	<u>\$ 828,492</u>	<u>\$ (245)</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	740,761	846,891	846,834	57
Contractual Charges	120,403	118,504	113,781	4,723
Materials and Supplies	31,502	29,669	29,666	3
Travel and Other Charges	46,230	47,127	47,664	(537)
Total Expenditures	<u>938,896</u>	<u>1,042,191</u>	<u>1,037,945</u>	<u>4,246</u>
<u>Excess (Deficiency) of Revenues Over</u> <u>Expenditures</u>	454	(213,454)	(209,453)	4,001
<u>Fund Balance - Beginning of the Year</u>	<u>1,376,825</u>	<u>1,376,825</u>	<u>1,376,825</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 1,377,279</u>	<u>\$ 1,163,371</u>	<u>\$ 1,167,372</u>	<u>\$ 4,001</u>

The accompanying notes are an integral part of this financial statement.

## Schedule II

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2020

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2014	0.537415%	\$ 724,899	\$485,639	149.27%	79.37%
2015	0.519498%	\$ 779,263	\$469,993	165.80%	78.13%
2016	0.519152%	\$ 960,418	\$473,853	202.68%	74.17%
2017	0.520215%	\$ 787,051	\$469,305	167.71%	79.69%
2018	0.567078%	\$ 943,221	\$526,315	179.21%	79.08%
2019	0.563219%	\$ 1,022,801	\$551,570	185.43%	77.93%

Amounts presented were determined as of the measurement date (previous fiscal year end).  
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## Schedule III

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2020

<u>Fiscal Year</u>	<u>(a) Statutorily required contribution</u>	<u>(b) Contributions in relation to the statutorily required contribution</u>	<u>(a-b) Contribution deficiency</u>	<u>Agency's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014	\$ 89,843	\$ 89,743	\$ -	\$ 485,639	18.48%
2015	\$ 89,299	\$ 89,299	\$ -	\$ 469,993	19.00%
2016	\$ 90,032	\$ 90,032	\$ -	\$ 473,853	19.00%
2017	\$ 89,168	\$ 89,168	\$ -	\$ 469,305	19.00%
2018	\$ 100,000	\$ 100,000	\$ -	\$ 526,315	19.00%
2019	\$ 104,051	\$ 104,051	\$ -	\$ 551,570	18.86%

Amounts presented were determined as of the end of the fiscal year.  
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 28,201	\$ 29,047	\$ 70,818
Interest	33,778	34,456	38,266
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(12,576)	41,714	(165,187)
Changes of assumptions	-	-	442,101
Benefit payments	(16,353)	(17,252)	(17,181)
<b>Net change in total OPEB liability</b>	<u>33,051</u>	<u>87,965</u>	<u>368,817</u>
<b>Total OPEB liability - beginning</b>	<u>936,892</u>	<u>969,943</u>	<u>1,057,908</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 969,943</u>	<u>\$ 1,057,908</u>	<u>\$ 1,426,725</u>
Covered-employee payroll	\$ 529,330	\$ 545,210	\$ 570,176
Net OPEB liability as a percentage of covered-employee payroll	183.24%	194.04%	250.23%
<b>Notes to Schedule:</b>			
<i>Benefit Changes:</i>	None	None	None
<i>Changes of Assumptions:</i>			
Discount Rate:	3.50%	3.50%	2.21%
Mortality:	RP-2000	RP-2000	RP-2014
Trend:	5.5%	5.5%	Variable

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

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Morehouse Parish Clerk of Court's office during the month of June for comments from taxpayers. The budget is then legally adopted by the Clerk and amended during the year, as necessary. The budget is established and controlled by the Clerk at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

SUPPLEMENTARY INFORMATION

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2020

**FIDUCIARY FUND TYPE – AGENCY FUNDS**

**ADVANCE DEPOSIT FUND**

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

**REGISTRY OF COURT FUND**

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

**NON SUPPORT FUND**

The Non Support Fund accounts for the collection and distribution of child support obligations and the assessment and remittance of a five per cent fee on the child support payments.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head: Carol Jones, Clerk of Court

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 165,605
Benefits – Insurance	\$ 11,413
Benefits – Retirement	\$ 28,163
Per diem	\$ 354
Travel	\$ 387
Dues	\$ 2,323

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*  
*STANDARDS* AND BY OFFICE OF MANAGEMENT AND BUDGET  
*UNIFORM GUIDANCE*

**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***

Honorable Carol Jones  
Morehouse Parish Clerk of Court  
Bastrop, Louisiana

I 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 Morehouse Parish Clerk of Court (Clerk of Court), a component unit of Morehouse Parish Police Jury, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements, and have issued our report thereon dated December 2, 2020.

**Internal Control Over Financial Reporting**

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

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

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

Honorable Carol Jones  
Morehouse Parish Clerk of Court  
Bastrop, Louisiana  
Page 2

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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 Office of the Louisiana Legislative Auditor as a public document.

*David M. Nault, CPA (APPC)*

West Monroe, Louisiana  
December 2, 2020

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020

Honorable Carol Jones  
 Morehouse Parish Clerk of Court  
 Bastrop, Louisiana

I have audited the financial statements of Morehouse Parish Clerk of Court, a component unit of the Morehouse Parish Police Jury as of and for the year ended June 30, 2020, and have issued my report thereon dated December 2, 2020. I conducted my 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. My audit of the financial statements as of June 30, 2020, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards – N/A

Material Weakness Identified \_\_\_yes \_\_\_no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes \_\_\_no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_ Qualified \_\_\_

Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with the Uniform Guidance, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

MOREHOUSE PARISH CLERK OF COURT  
Bastrop, Louisiana  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.