

**ST. MARY PARISH CLERK OF COURT**

Franklin, Louisiana

Financial Statements

Year Ended June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Clifford Dressel  
St. Mary Parish Clerk of Court  
Franklin, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Mary Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Parish of St. Mary, 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*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Clerk of Court'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 Clerk of Court's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Clerk of Court 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 certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedule on page 35, schedule of changes in total OPEB liability and related ratios on page 36, schedule of employer's share of net pension liability on page 37, schedule of employer contributions on page 38, and notes to required supplementary information on pages 39-40 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

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

Morgan City, Louisiana  
December 16, 2020

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana  
Statement of Net Position  
June 30, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 834,209
Receivables	
Accounts	42,101
Due from other governments	7,471
Prepaid expenses	21,955
Capital assets, net of accumulated depreciation	76,021
Total assets	981,757
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to -	
Net pension liability	373,959
OPEB liability	391,682
Total deferred outflows of resources	765,641
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	1,014
Due to other governments	83,904
Compensated absences payable	22,809
Total current liabilities	107,727
Noncurrent liabilities	
OPEB liability	3,556,026
Net pension liability	1,363,993
Total noncurrent liabilities	4,920,019
Total liabilities	5,027,746
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to -	
Net pension liability	115,866
OPEB liability	1,139,453
Total deferred inflows of resources	1,255,319
<b>NET POSITION</b>	
Net investment in capital assets	76,021
Unrestricted (deficit)	(4,611,688)
Total net position (deficit)	\$ (4,535,667)

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

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Statement of Activities  
Year Ended June 30, 2020

	<u>Governmental Activities</u>
<b>EXPENSES</b>	
General government	
Personal service and related benefits	\$ 1,445,935
Operating services	215,275
Materials and supplies	16,049
Travel and other charges	14,709
Depreciation	<u>9,675</u>
Total expenses	<u>1,701,643</u>
<b>PROGRAM REVENUES</b>	
Charges for services	
Fees, charges and commissions for services	
Court costs, fees and charges	874,776
Fees for recording legal documents	565,586
Fees for certified copies of documents	72,133
Marriage licenses	2,482
Miscellaneous	42,574
Operating grants and contributions	<u>116,929</u>
Total program revenues	<u>1,674,480</u>
Net program revenue (expense)	(27,163)
<b>GENERAL REVENUES</b>	
Interest earned	<u>4,127</u>
Change in net position	(23,036)
NET POSITION (deficit), beginning	<u>(4,512,631)</u>
NET POSITION (deficit), ending	<u>\$ (4,535,667)</u>

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

**FUND FINANCIAL STATEMENTS**

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Balance Sheet  
Governmental Fund  
June 30, 2020

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 834,209
Receivables	
Accounts	42,101
Due from other governments	7,471
Prepaid expenditures	<u>21,955</u>
Total assets	<u><u>\$ 905,736</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 1,014
Compensated absences payable	22,809
Due to other governments	<u>83,904</u>
Total liabilities	<u>107,727</u>
Fund balance:	
Nonspendable	21,955
Unassigned	<u>776,054</u>
Total fund balance	<u>798,009</u>
Total liabilities and fund balance	<u><u>\$ 905,736</u></u>

(continued)

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Balance Sheet (continued)  
Governmental Fund  
June 30, 2020

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

Total fund balance-governmental fund		\$ 798,009
Cost of capital assets, net of accumulated depreciation		76,021
Deferred outflows of resources related to -		
Net pension liability	373,959	
Net OPEB liability	<u>391,682</u>	765,641
Long-term liabilities		
Postemployment benefit obligation payable		(3,556,026)
Net pension liability		(1,363,993)
Deferred inflows of resources related to -		
Net pension liability	(115,866)	
Net OPEB liability	<u>(1,139,453)</u>	<u>(1,255,319)</u>
Total net position of governmental activities		<u>\$ (4,535,667)</u>

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

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Fund  
Year Ended June 30, 2020

	<u>General Fund</u>
<b>REVENUES</b>	
Fees, Charges and commissions for services:	
Court costs, fees and charges	\$ 874,776
Fees for recording legal documents	565,586
Fees for certified copies of documents	72,133
Marriage licenses	2,482
Miscellaneous	42,574
Intergovernmental	34,340
Use of money and property - interest earnings	<u>4,127</u>
Total revenues	<u>1,596,018</u>
<b>EXPENDITURES</b>	
General government:	
Personal service and related benefits	1,443,835
Operating services	215,275
Materials and supplies	16,049
Travel and other charges	14,709
Capital outlay	<u>57,057</u>
Total expenditures	<u>1,746,925</u>
Net change in fund balance	(150,907)
Fund balance, beginning	<u>948,916</u>
Fund balance, ending	<u>\$ 798,009</u>
	(continued)

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance (continued)  
Governmental Fund  
Year Ended June 30, 2020

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the  
Statement of Activities

Net change in fund balance-governmental fund	\$ (150,907)
Cost of capital assets	57,057
Depreciation expense	(9,675)
Net change in OPEB expense	101,179
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:	
Increase in pension expense	(103,279)
Nonemployer pension contribution revenue	<u>82,589</u>
Change in net position of governmental activities	<u>\$ (23,036)</u>

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

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and cash equivalents	<u>\$ 1,247,878</u>	<u>\$ 1,449,417</u>	<u>\$ 2,697,295</u>
LIABILITIES			
Due to litigants and others	<u>\$ 1,247,878</u>	<u>\$ 1,449,417</u>	<u>\$ 2,697,295</u>

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

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements

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 has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Parish of St. Mary. The parish government maintains and operates 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. Because the Clerk of Court is fiscally dependent on the parish government, the Clerk of Court was determined to be a component unit of the Parish of St. Mary, 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 parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Clerk of Court as a whole. These statements include all the financial activities of the Clerk of Court which are considered to be governmental activities. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities 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 and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Codification section N50, Nonexchange Transactions.

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

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

Fund Financial Statements

The Clerk of Court uses funds to maintain its financial records and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental (General Fund) and fiduciary (Agency Fund). Since the resources in the fiduciary funds cannot be used for the operations of the Clerk of Court, they are not included in the government-wide statements. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Clerk of Court or meets the following criteria:

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

Governmental Fund

General Fund – This fund is the primary operating fund of the Clerk of Court and it accounts for the operations of the Clerk of Court's office. The General Fund is available for any purpose provided it is extended or transferred in accordance with state and federal laws and according to the Clerk of Court's policy.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk of Court are agency funds. The agency funds account for cash deposits that are held by the Clerk of Court as an agent for litigants who are pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The agency funds are as follows:

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

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

Registry of the Court Fund – The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

C. Measurement Focus

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

On the government-wide statement of net position and statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

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

D. Basis of Accounting

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

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

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

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

The Clerk of Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and 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 or any other state of the United States, or under the laws of the United States.

Investments

The Clerk of Court can invest in securities of the United States Government unless such an investment is expressly prohibited by law.

Accounts receivable

The Clerk of Court records its fees in the month the services are rendered.

Prepaid items

The Clerk of Court's policy regarding prepaid expenditures is to record as prepaid the portion of insurance premiums and maintenance agreements that is paid during the current fiscal year for future periods.

Capital assets

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

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Depreciation is provided using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and fixtures	10
Office equipment	5-10
Vehicles	5
Leasehold improvements	10

Compensated absences

Employees of the Clerk of Court's office earn 5 – 20 days of leave each year depending on length of service. Such leave is to be used for vacation, sickness, or emergencies. Vacation leave must be taken in the year earned. Sick leave is granted at the discretion of the Clerk of Court.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and or balance sheet 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 of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet 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 (revenue) until that time.

Equity classifications

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

2. Restricted – Consists of net position with constraints place on their 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.
3. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund balance for the Clerk of Court’s governmental fund (the General Fund) is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental financial statements, fund balances are classified as follows:

1. Nonspendable – amounts that cannot be spent because either they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal action of the governing authority of the Clerk of Court’s office. The Clerk of Court is the highest level of decision-making authority for the Clerk of Court. Commitments may be established, modified, or rescinded only through formal declarations approved by the Clerk of Court.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk of Court’s policy, only the Clerk of Court may assign amounts for specified purposes.
5. Unassigned – all other spendable amounts.

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

LA R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund’s fund balance that exceeds one-half of the revenues of the Clerk’s last year of his term of office. The liability to the parish is limited to the amount received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books. At June 30, 2020, the Clerk’s liability to the parish is \$83,904.

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

F. Deferred Outflows of Resources and Deferred Inflows of Resources

The Clerk of Court reports decreases (increases) in net position that relate to future periods as deferred outflows (inflows) of resources in separate sections of its government-wide statement of net position. Deferred outflow (inflow) of resources reported in the financial statements are related to its net pension liability and OPEB liability. These amounts are being amortized over a period of five years.

G. Revenues, Expenditures and Expenses

Revenues

Fees, charges and commissions for services are recorded when the Clerk of Court is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function and in the fund financial statements, expenditures are classified by type.

H. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts utilizing the direct write-off method. Although this method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2020.

I. 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 and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The clerk may invest in United States bonds, treasury notes or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

At June 30, 2020, the Clerk of Court has cash and cash equivalents (book balances) totaling \$3,531,504 as follows:

	Governmental Fund	Fiduciary Funds	Total Book Balance	Bank Balance
Cash	\$ 300	\$ -	\$ 300	\$ -
Demand deposits	633,909	2,697,295	3,331,204	3,491,514
Time deposits	200,000	-	200,000	200,000
Total	\$ 834,209	\$ 2,697,295	\$ 3,531,504	\$ 3,691,514

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 Clerk of Court in a holding or custodial bank that is mutually acceptable to both parties.

These deposits (bank balances) are secured from risk as follows:

	Governmental Fund	Fiduciary Funds	Total
Bank balance	\$ 729,496	\$ 2,962,018	\$ 3,691,514
Secured by:			
FDIC coverage	450,000	250,000	700,000
Pledged securities	279,496	2,712,018	2,991,514
	\$ 729,496	\$ 2,962,018	\$ 3,691,514

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Clerk of Court does not have a policy that limits allowable deposits or to monitor or attempt to reduce exposure to custodial credit risk. At June 30, 2020, deposits in the amount of \$2,991,514 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the Clerk of Court's fiscal agent but not in the Clerk of Court's name.

(3) Due from other Governmental Units

Individual balances due from other governments are as follows:

State of Louisiana (nonsupport reimbursements)	\$ 6,831
St. Mary Parish Government (court attendance)	640
Total due from other governmental units	\$ 7,471

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Financial Statements (continued)

(4) Capital Assets

Capital assets and depreciation activity for the year follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Furniture and fixtures	\$ 361,496	\$ 57,057	\$ (28,728)	\$ 389,825
Office equipment	423,236	-	-	423,236
Leasehold improvements	318,217	-	-	318,217
Total	1,102,949	57,057	(28,728)	1,131,278
Less: accumulated depreciation	(1,074,310)	(9,675)	28,728	(1,055,257)
Net capital assets	<u>\$ 28,639</u>	<u>\$ 47,382</u>	<u>\$ -</u>	<u>\$ 76,021</u>

Depreciation expense of \$9,675 was charged to the general government function.

(5) Pension Plan

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 and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Plan Description*

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

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 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.

ST. MARY PARISH CLERK OF COURT  
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Notes to Financial Statements (continued)

*Retirement Benefits*

A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 60 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3½% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

*Disability Benefits*

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

*Survivor Benefits*

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced ¼ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid ½ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

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Notes to Financial Statements (continued)

*Deferred Retirement Option Plan*

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

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

Upon termination, the member receives a lump sum 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 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.

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Notes to Financial Statements (continued)

*Cost of Living Adjustments*

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

*Employer Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the plan year ended June 30, 2019, the actual employer contribution rate was 19.00%.

*Non-employer Contributions*

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, 2020, was \$82,589.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources*

At June 30, 2020, the Clerk of Court reported liabilities in its government-wide financial statements of \$1,363,993 for its proportionate share of the net pension liabilities of the Fund. The net pension liabilities were measured as of June 30, 2019 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Clerk of Court's proportional share of the Fund was 0.751101%, which was a decrease of 0.054523 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Clerk of Court recognized pension expense of \$244,107.

At June 30, 2020, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 38,299	\$ -
Changes of assumptions	87,191	-
Net difference between projected and actual earnings on pension plan investments	105,672	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,969	115,866
Employer contributions subsequent to the measurement date	140,828	-
	\$ 373,959	\$ 115,866

The \$140,828 reported as deferred outflows of resources related to pensions resulting from Clerk of Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	
2021	\$ 58,618
2022	(8,666)
2023	45,210
2024	22,103
	\$ 117,265

*Actuarial Assumptions*

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

ST. MARY PARISH CLERK OF COURT  
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Notes to Financial Statements (continued)

	Louisiana Clerks' of Court Retirement and Relief Fund
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense, including inflation
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	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2019 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 expectations.

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 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.

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Notes to Financial Statements (continued)

The investment rate of return was 6.75%, which was unchanged from the rate used as of June 30, 2018. 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 6.38%, for the year ended June 30, 2019. 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 Asset Allocation	Long-Term Expected Real Rate of Return
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%	

The discount rate used to measure the total pension liability was 6.75%, which was unchanged from the rate used as of June 30, 2018. 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 to total pension liability.

*Sensitivity to Changes in Discount Rate*

The following presents the net pension liability of the participating employers calculated using the discount rate 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

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Notes to Financial Statements (continued)

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 2,026,667	\$ 1,363,993	\$ 801,815

*Payables to the Pension Plan*

The Clerk recorded no accrued liabilities related to the Fund for the year ended June 30, 2020.

*Retirement Fund Audit Report*

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a standalone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

(6) Post-retirement Benefits

*Plan description*

The Clerk of Court's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk of Court. The Clerk of Court's OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk of Court. Benefits are provided through the Louisiana Clerks of Court Insurance Trust ("LCCIT"), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute §13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the LCCIT board of trustees, with the Clerk of Court determining the contribution requirements of the retirees.

*Benefits provided*

The Clerk of Court provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree pre-Medicare health, Medicare Supplement, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance payments.

*Employees covered by benefit terms*

At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	15
Active employees	15
Total	30

ST. MARY PARISH CLERK OF COURT  
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Notes to Financial Statements (continued)

The Clerk of Court's total OPEB liability of \$3,556,026 was measured as of June 30, 2020 and was determined by an actuarial valuation as of January 1, 2020.

*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:	2.40%
Salary Increases, including inflation:	3.25%
Discount Rate:	2.45%
Health Care Cost Trend Rates	
Medical:	6.5% for 2021, decreasing 0.25% per year to an ultimate rate of 5% for 2027 and later years.
Medicare Advantage:	5% for 2021, decreasing 0.25% per year to an ultimate rate of 3% for 2029 and later year. Includes 2% per year for aging.
Dental:	3% annual trend
Vision:	3% annual trend
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 0% for dependents.
Medicare Supplement:	0% for retirees and 0% for dependents.
Dental:	0% for retirees and 0% for dependents.
Vision:	0% for retirees and 0% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the June 30, 2020 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Retiree mortality table, Generational with Projection Scale MP-2019 for meals or females, as appropriate.

The actuarial assumptions used were based on the those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actuarial experience.

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Notes to Financial Statements (continued)

Changes in Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/2019	\$ 4,563,929
Charges for the year:	
Service Cost	19,126
Interest	141,143
Differences between expected and actual experience	176,163
Changes in Assumptions/Inputs	(1,196,918)
Benefit Payments	(147,417)
Net Changes	(1,007,903)
Balance at 6/30/2020	\$ 3,556,026

*Sensitivity of the total OPEB liability to changes in the discount rate.*

The following presents the total OPEB liability of the Clerk of Court, as well as what the Clerk of Court's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB Liability	\$ 4,166,733	\$ 3,556,026	\$ 3,110,856

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 3,263,573	\$ 3,556,026	\$ 4,084,417

ST. MARY PARISH CLERK OF COURT  
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Notes to Financial Statements (continued)

For the year ended June 30, 2020, the Clerk of Court recognized an OPEB expense of \$46,238. At June 30, 2020, the Clerk of Court 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	\$ 150,997	\$ 113,523
Changes in assumptions or other inputs	240,685	1,025,930
Total	\$ 391,682	\$ 1,139,453

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

Year Ended <u>June 30</u>	
2021	\$ (114,032)
2022	(114,032)
2023	(114,032)
2024	(114,032)
2025	(145,821)
Thereafter	(145,822)
	\$ (747,771)

(7) Net Position

Net position is presented as net investments in capital assets and unrestricted on the Clerk's government-wide statement of net position. A component of the Clerk's net position is significantly affected by transactions that resulted in the recognition of deferred outflow of resources and deferred inflow of resources, and the difference between the deferred outflow of resources and deferred inflow of resources and the balance of the related asset or liability is significant. As discussed in Notes 5 and 6, the Clerk's recognition of net pension liability in accordance with GASBS No. 68 and OPEB obligations in accordance with GASBS No. 75 significantly affected the Clerk's unrestricted portion of net position as of June 30, 2020.

(8) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with the Internal Revenue Code Section 457. Complete disclosures relating 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.

The Clerk of Court's elected to contribution to the Plan for the year ended June 30, 2020 matching up to 10% , totaling \$35,108.

ST. MARY PARISH CLERK OF COURT  
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Notes to Financial Statements (continued)

(9) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Advance Deposit Fund	Registry of Court Fund	Total
Unsettled deposits at July 1, 2019	\$ 1,203,274	\$ 1,497,028	\$ 2,700,302
Additions	1,154,061	88,116	1,242,177
Reductions	<u>(1,109,457)</u>	<u>(135,727)</u>	<u>(1,245,184)</u>
Unsettled deposits at June 30, 2020	<u>\$ 1,247,878</u>	<u>\$ 1,449,417</u>	<u>\$ 2,697,295</u>

Unsettled deposits at June 30, 2020 are payable from the restricted assets within the agency funds.

(10) Risk Management

The Clerk of Court 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 of Court has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Clerk of Court is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended June 30, 2020. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

(11) Expenditures of the Clerk of Court Paid by the Parish Council

The Clerk of Court's office is located in the St. Mary Parish Courthouse, which is owned by the Parish of St. Mary. The parish government provides utilities and maintenance for operation of the courthouse. The parish government also furnishes the Clerk of Court's office with other operational costs. These expenditures are not reflected in the accompanying financial statements.

ST. MARY PARISH CLERK OF COURT  
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Notes to Financial Statements (continued)

(12) Compensation and Other Payments to Agency Head

Act 706 of the 2014 Legislative Session amended R.S. 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to and on behalf of the Clerk of Court, Clifford Dressel, for the year ended June 30, 2020 are as follows:

Salary	\$ 161,999
Benefits - Insurance	14,018
Benefits - Retirement	44,145
Benefits - Deferred compensation	13,809
Election expense allowance	2,400
Conferences/Expense reimbursements	320
	<u>\$ 236,691</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Fees, charges and commissions for services:				
Court costs, fees and charges	\$ 979,000	\$ 868,091	\$ 874,776	\$ 6,685
Fees for recording legal documents	600,000	526,140	565,586	39,446
Fees for certified copies of documents	68,000	64,700	72,133	7,433
Marriage licenses	4,000	2,460	2,482	22
Miscellaneous	35,000	81,824	42,574	(39,250)
Intergovernmental	-	-	34,340	34,340
Use of money and property - interest earnings	2,000	4,000	4,127	127
Total revenues	<u>1,688,000</u>	<u>1,547,215</u>	<u>1,596,018</u>	<u>48,803</u>
<b>EXPENDITURES</b>				
General government:				
Personal service and related benefits	1,467,375	1,441,519	1,443,835	(2,316)
Operating services	131,600	114,109	215,275	(101,166)
Materials and supplies	6,000	7,175	16,049	(8,874)
Travel and other charges	25,800	20,867	14,709	6,158
Capital outlay	-	100,000	57,057	42,943
Total expenditures	<u>1,630,775</u>	<u>1,683,670</u>	<u>1,746,925</u>	<u>(63,255)</u>
Net change in fund balance	57,225	(136,455)	(150,907)	(14,452)
Fund balance, beginning	<u>948,916</u>	<u>948,916</u>	<u>948,916</u>	<u>-</u>
Fund balance, ending	<u>\$1,006,141</u>	<u>\$ 812,461</u>	<u>\$ 798,009</u>	<u>\$ (14,452)</u>

*See notes to required supplementary information.*

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Schedule of Changes in Total OPEB Liability and Related Ratios  
Year Ended June 30, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	\$ 41,828	\$ 43,050	\$ 19,126
Interest	155,671	135,121	141,143
Differences between expected and actual experience	(9,384)	(162,241)	176,163
Changes in assumptions or other inputs	-	361,028	(1,196,918)
Benefits payments	<u>(171,560)</u>	<u>(173,862)</u>	<u>(147,417)</u>
Net change in total OPEB liability	16,555	203,096	(1,007,903)
Total OPEB liability, beginning	<u>4,344,278</u>	<u>4,360,833</u>	<u>4,563,929</u>
Total OPEB liability, ending	<u>\$ 4,360,833</u>	<u>\$ 4,563,929</u>	<u>\$ 3,556,026</u>
Covered employee payroll	<u>\$ 776,039</u>	<u>\$ 801,260</u>	<u>\$ 761,529</u>
Total OPEB liability as a percentage of covered employee payroll	<u>561.9%</u>	<u>569.6%</u>	<u>466.9%</u>

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

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Schedule of Employer's Share of Net Pension Liability  
Year Ended June 30, 2020

Plan Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.866400%	\$ 1,168,654	\$ 787,696	148.36%	79.37%
2015	0.874817%	\$ 1,312,253	\$ 779,553	168.33%	78.13%
2016	0.881513%	\$ 1,630,776	\$ 774,548	210.55%	74.17%
2017	0.835017%	\$ 1,263,326	\$ 753,209	167.73%	79.69%
2018	0.805624%	\$ 1,339,995	\$ 748,004	179.14%	79.07%
2019	0.751101%	\$ 1,363,993	\$ 730,323	186.77%	77.93%

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

ST. MARY PARISH CLERK OF COURT  
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Schedule of Employer Contributions  
Year Ended June 30, 2020

Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 144,217	\$ 144,217	\$ -	\$ 779,553	18.50%
2016	\$ 147,164	\$ 147,164	\$ -	\$ 774,548	19.00%
2017	\$ 143,127	\$ 143,127	\$ -	\$ 753,299	19.00%
2018	\$ 142,121	\$ 142,121	\$ -	\$ 748,004	19.00%
2019	\$ 138,761	\$ 138,761	\$ -	\$ 730,323	19.00%
2020	\$ 140,828	\$ 140,828	\$ -	\$ 741,199	19.00%

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

ST. MARY PARISH CLERK OF COURT  
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Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

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

(2) Budget Adoption

The following procedures apply to establishing the budgetary data reflected in the supplementary information:

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

(3) Expenditures in Excess of Appropriations

Actual expenditures exceed budgeted appropriations in the General fund by \$63,255.

(4) Retirement Systems

1. Changes of Benefit Terms -

There were no changes of benefit terms.

2. Changes of Assumptions –

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.25%	7.25%	2.75%	5	5.75%
2016	7.00%	7.00%	2.50%	5	5.00%
2017	7.00%	7.00%	2.50%	5	5.00%
2018	7.00%	7.00%	2.50%	5	5.00%
2019	6.75%	6.75%	2.50%	5	5.00%
2020	6.75%	6.75%	2.50%	5	5.00%

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

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Notes to Required Supplementary Information (continued)

(5) Other Postemployment Benefits

1. Changes of Benefits Terms - None
2. Changes of Assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>Period</u>	<u>Discount Rate</u>
2018	3.62%
2019	3.13%
2020	2.45%

3. No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

**INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Clifford Dressel  
St. Mary Parish Clerk of Court  
Franklin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Mary Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Parish of St. Mary, 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 16, 2020.

### Internal Control over Financial Reporting

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court'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 Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Morgan City, Louisiana  
December 16, 2020

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Summary of Auditor's Results  
Year Ended June 30, 2020

Part I. Summary of Auditor's Results

*Financial Statements*

1. Type of auditor's opinion issued on financial statements:

Opinion Unit	Type of Opinion
Governmental activities	Unmodified
Major fund:	
General	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

3. Noncompliance material to the financial statements? \_\_\_\_\_ yes \_\_\_\_\_  no

*Other*

4. Management letter issued? \_\_\_\_\_ yes \_\_\_\_\_  no

Part II: Findings Required to be Reported in Accordance with *Government Auditing Standards*

There are no findings reported in this section.

Part III: Findings and Questioned Costs Reported in Accordance with Uniform Guidance

The requirements of the Uniform Guidance do not apply.

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

A. Internal Control –

No findings were reported under this section.

B. Compliance –

No findings were reported under this section.

C. Uniform Guidance –

Not applicable in prior year.

D. Management Letter –

Not issued in the prior year.

ST. MARY PARISH CLERK OF COURT  
Franklin, Louisiana

Management's Corrective Action Plan for Current Audit Findings  
Year Ended June 30, 2020

There were no items reported requiring corrective action.