

**LAFAYETTE PARISH CLERK OF COURT**

Financial Report

Year Ended June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Louis J. Perret  
Lafayette Parish Clerk of Court  
Lafayette, 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 Lafayette Parish Clerk of Court (Clerk of Court) 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 of 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 auditors' 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, 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 thereof 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 budgetary comparison schedule on page 38 and the schedule of changes in net OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer pension contributions on pages 39 through 41 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 information 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 information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The other supplementary information on pages 44 through 54 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative and combining statements and the combined schedule of interest-bearing deposits on pages 44, 46, 53, 54 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 our opinion, the comparative and combining statements and the combined schedule of interest-bearing deposits are fairly stated in all material respects, in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the Clerk of Court's 2019 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules on pages 47 through 51 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
November 13, 2020

**BASIC FINANCIAL STATEMENTS**

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Statement of Net Position  
June 30, 2020

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 15,253,772
Accounts receivable	232,195
Insurance stop loss receivable	91,521
Due from other governmental units	14,789
Prepaid expenditures	9,265
Total current assets	15,601,542
Noncurrent assets:	
Capital assets, net	309,812
Total assets	15,911,354
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pension	2,196,484
Deferred outflows related to postemployment benefit obligation	7,283,894
Total deferred outflows of resources	9,480,378
<b>LIABILITIES</b>	
Current liabilities:	
Accounts and other payables	165,600
Due to other governmental agencies	6,462
Total current liabilities	172,062
Noncurrent liabilities:	
Compensated absences	836,316
Net OPEB obligation	17,083,233
Net pension liability	8,030,592
Total noncurrent liabilities	25,950,141
Total liabilities	26,122,203
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pension	501,371
Deferred inflows of resources related to postemployment benefit obligation	388,157
Total deferred inflows of resources	889,528
<b>NET POSITION</b>	
Net investment in capital assets	309,812
Unrestricted (deficit)	(1,929,811)
Total net position (deficit)	\$ (1,619,999)

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Statement of Activities  
For the Year Ended June 30, 2020

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 12,380,135</u>	<u>\$ 10,318,861</u>	<u>\$ 127,561</u>	<u>\$(1,933,713)</u>
				General revenues:
				Interest and investment earnings
				324,082
				Miscellaneous
				513,088
				Non employer pension contribution
				486,250
				Charges reimbursable by primary government
				<u>70,650</u>
				Total general revenues
				<u>1,394,070</u>
				Change in net position
				(539,643)
				Net position (deficit) - June 30, 2019
				<u>(1,080,356)</u>
				Net position (deficit) - June 30, 2020
				<u>\$(1,619,999)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2020

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 3,450
Interest-bearing deposits	15,250,322
Receivables:	
Accounts receivable	232,195
Insurance stop loss receivable	91,521
Due from other governmental agencies	14,789
Prepaid expenditures	9,265
Total assets	<b>\$ 15,601,542</b>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Cash overdraft	\$ 14,464
Accounts payable	29,769
Claims payable	21,221
Payroll liabilities payable	98,047
Due to other governmental agencies	6,462
Total liabilities	169,963
Fund balance:	
Nonspendable (prepaid expenditures)	9,265
Assigned - long term benefits	4,000,000
Unassigned	11,422,314
Total fund balance	15,431,579
Total liabilities and fund balance	<b>\$ 15,601,542</b>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2020

Total fund balance for the governmental fund at June 30, 2020		\$ 15,431,579
Cost of capital assets at June 30, 2020	\$ 2,716,944	
Less: Accumulated depreciation	<u>(2,407,132)</u>	309,812
The deferred outflows of resources are not available and, therefore are not reported in the fund financial statements. The deferred outflows of resources are related to the following:		
Pension liability	2,196,484	
OPEB obligation	<u>7,283,894</u>	9,480,378
Noncurrent liabilities at June 30, 2020:		
Compensated absences payable	(836,316)	
Net OPEB obligation payable	(17,083,233)	
Net pension payable	<u>(8,030,592)</u>	(25,950,141)
The deferred inflows of contributions are not payable from current expendable resources and therefore are not reported in the fund financial statements. The deferred outflows of resources are related to the following:		
Pension Liability	(501,371)	
OPEB obligation	<u>(388,157)</u>	(889,528)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:		
Claims payable		<u>(2,099)</u>
Total net position (deficit) of governmental activities at June 30, 2020		<u>\$ (1,619,999)</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

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

	<u>General Fund</u>
<b>Revenues:</b>	
Licenses and permits	\$ 302,793
Fees, charges and commissions -	
Court costs, fees and charges	345,432
Fees for recording legal documents	9,037,904
Fees for certified copies	629,056
Intergovernmental	198,211
Miscellaneous	<u>840,846</u>
Total revenues	<u>11,354,242</u>
<b>Expenditures:</b>	
Current -	
General government:	
Personnel services and related benefits	8,553,635
Operating services	931,993
Material and supplies	341,833
Appropriations to Lafayette City-Parish Consolidated Government	96,110
Capital outlay	<u>43,844</u>
Total expenditures	<u>9,967,415</u>
Excess of revenues over expenditures	1,386,827
Fund balance, beginning of year	<u>14,044,752</u>
Fund balance, end of year	<u>\$15,431,579</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2020

Total net change in fund balance for the year ended June 30, 2020 per the statement of revenues, expenditures and changes in fund balance		\$ 1,386,827
Add: Capital outlay costs which are considered as expenditures on the statement of revenues, expenditures, and changes in fund balance	\$ 43,844	
Less: Depreciation expense for year ended June 30, 2020	<u>(120,404)</u>	(76,560)
Differences between amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements:		
Claims payable	5,078	
Compensated absences payable	(6,063)	
OPEB obligation payable	<u>(1,607,155)</u>	(1,608,140)
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		(728,020)
Nonemployer's contributions to the clerk employees' pension plan		<u>486,250</u>
Total change in net position for the year ended June 30, 2020 per statement of activities		<u>\$ (539,643)</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds  
June 30, 2020

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 21,179
Interest-bearing deposits	<u>14,781,581</u>
Total assets	<u>\$ 14,802,760</u>
<b>LIABILITIES</b>	
Due to litigants and others	<u>\$ 14,802,760</u>

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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. A Clerk of Court is elected for a term of four years.

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

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

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

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

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

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

Governmental Fund -

General Fund

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

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

Fiduciary Funds -

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Election Qualifying Fund – accounts for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

**Basis of Accounting**

In the government-wide statement of net position and statement of activities, the governmental activities reflect the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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

D. 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.

E. Receivables

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

G. Capital Assets

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic 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. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives for furniture, fixtures, and equipment range from five to ten years.

H. Compensated Absences

Employees of the Clerk of Court's office earn 10 to 25 days of vacation leave each year depending on length of service. In addition, employees earn 12 days of personal leave each year. Vacation leave must be used in the year earned. Upon resignation or retirement, employees are paid for unused vacation leave at the employee's current rate of pay. Personal leave may be accumulated to a maximum of 90 days and carried over to succeeding years. Employees are paid for unused personal leave upon termination or retirement.

I. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2020, the Clerk of Court's deferred outflows and inflows of resources are attributable to its pension plan and postemployment benefit obligation.

J. Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the other two components and is available for general use by the Clerk of Court.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Clerk of Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Clerk of Court.
- e. Unassigned – all other spendable amounts.

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

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. This payment is limited to no more than that which was received by the clerk in accordance with R.S. 13:784(A) during said term of office. At June 30, 2020, there was no amount due to the parish treasurer even though the General Fund's fund balance at June 30, 2020 exceeded one-half of the revenues of the General Fund for the last year of the clerk's four-year term of office because the Lafayette Parish Clerk of Court did not receive any funds from the parish treasurer in accordance with R.S. 13:784(A) during the current term of office.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

K. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

L. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the collectability of the particular receivable. Although the specific charge-off 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.

M. Clerk's Fees Transferred from Advance Deposit Agency Fund

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

N. Use of Estimates

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$30,056,532 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash	\$ 3,450	\$ 21,179	\$ 24,629
Time and money market deposits	15,250,322	14,781,581	30,031,903
Total	\$ 15,253,772	\$ 14,802,760	\$ 30,056,532

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2020, and the related federal insurance and pledged securities:

Bank balances	\$ 29,842,013
Federal insurance	\$ 5,405,704
Pledged securities	24,436,309
Total federal insurance and pledged securities	\$ 29,842,013

Deposits in the amount of \$24,436,309 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in Clerk of Court's name (considered to be Category 3 deposits). The Clerk of Court does not have a formal written policy for custodial credit risk.

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2020 consisted of the following:

General Fund:

Amount due from State of Louisiana - Non-support program	\$ 14,789
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LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2020 is as follows:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Furniture, fixtures and equipment	\$ 2,651,964	\$ 43,844	\$ 30,162	\$ 2,665,646
Construction in progress	51,298	-	-	51,298
Less: Accumulated depreciation	<u>2,316,890</u>	<u>120,404</u>	<u>30,162</u>	<u>2,407,132</u>
Net capital assets	<u>\$ 386,372</u>	<u>\$ (76,560)</u>	<u>\$ -</u>	<u>\$ 309,812</u>

Depreciation expense of \$120,404 was charged to the general government function.

(5) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2020:

	Governmental Activities
Cash overdraft	\$ 14,464
Accounts payable	29,769
Claims payable	23,320
Payroll Liabilities	<u>98,047</u>
Total	<u>\$ 165,600</u>

Excess funds on deposit for the risk management program are held in an interest-bearing account and transferred to the operating account as checks clear the bank. Cash overdrafts of \$14,464, consisted of outstanding checks in the risk management program operating account.

(6) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Clerk of Court for the year ended June 30, 2020:

	Balance 7/1/2019	Additions	Reductions	Balance 6/30/2020
Compensated absences	\$ 830,253	\$ 298,654	\$ 292,591	\$ 836,316
OPEB obligation	8,928,989	8,338,162	183,918	17,083,233
Pension liability	<u>7,618,901</u>	<u>486,250</u>	<u>74,559</u>	<u>8,030,592</u>
Total	<u>\$ 17,378,143</u>	<u>\$ 9,123,066</u>	<u>\$ 551,068</u>	<u>\$ 25,950,141</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(7) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund (System), 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, a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

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

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

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

**Retirement Benefits:**

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years (age sixty if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, equal 3% 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 on or after 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 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 sixty consecutive months, or successive joined months if service was interrupted, with a limit of 10% increase 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 thirty-six months plus the number of whole months elapsed since January 1, 2011, not to exceed sixty months.

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Disability Benefits:**

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

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

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

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

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

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

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

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

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Survivor Benefits:**

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

**Deferred Retirement Option Plan:**

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

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

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees).

The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Cost of Living Adjustments:**

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

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

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

**Contributions:**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 19%.

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

**Schedule of Employer Allocations:**

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

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2019 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2019.

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2019 is summarized in the following table:

Asset Class	LACRF*	
	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income:	20.00%	
Domestic Bonds		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%
Total	100.00%	

\*Arithmetic real rates of return

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

At June 30, 2020, the Clerk of Court reported a liability of \$8,030,592 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 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 proportion was 4.422152%, which was decrease of .15844% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Clerk of Court recognized pension expense of \$1,557,020 related to its benefit plan and revenues of \$486,250 in ad valorem taxes collected from non-employer contributing entities.

**LAFAYETTE PARISH CLERK OF COURT**  
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Notes to the Basic Financial Statements (Continued)

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 225,485	\$ -
Change of assumptions	513,342	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	6,505	501,371
Net differences between projected and actual earnings on plan investments	622,151	-
Contributions subsequent to the measurement date	829,001	-
Total	\$ 2,196,484	\$ 501,371

Deferred outflows of resources of \$829,001 related to pensions resulting from the Clerk of Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	
2020	\$ 398,662
2021	1,080
2022	289,603
2023	176,767
Total	\$ 866,112

**Schedule of Pension Amounts by Employer:**

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

**Actuarial Methods and Assumptions:**

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

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

Salary Increases (merit only)	5.00%
Investment rate of return	6.75%
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
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and included previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantially automatic.

The 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, 2004 through June 30, 2009. 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 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 PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity to Changes in Discount Rate:**

The following presents the Clerk of Court's proportionate share of the net pension liability of the System, calculated using the discount rate of 6.75%, as well as what the Clerk of Court's 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% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	<u>\$ 11,932,125</u>	<u>\$ 8,030,592</u> ✓	<u>\$ 4,720,732</u>

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Contributions – Proportionate Share:**

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

**Payables to the System:**

The Clerk of Court recorded an accrued liability of \$93,338 for the System for the year ended June 30, 2020 for the contractually required contribution for the month of June 2020. The amount is included in accounts and other payables in the statement of net position.

(8) Post-Retirement Health Care and Life Insurance Benefits

Plan Description - The Lafayette Parish Clerk of Court (Clerk of Court) provides certain continuing health care and life insurance benefits for its retired employees. The Lafayette Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the Clerk of Court. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk of Court. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay the related benefits.

Benefits Provided - Medical benefits are provided through a comprehensive medical plan to Eligible Retirees as defined by the Clerk of Court's Group Health Plan document. The term "Eligible Retiree" shall mean a retiree, including a Disability Retiree under the Clerk of Court's Retirement Plan, who has worked full-time for the Employer for 20 consecutive years immediately prior to retirement, has been covered under the Plan for 10 consecutive years immediately prior to retiring, and has otherwise met the requirements as established by the Employer.

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 retirement.

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	47
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>106</u>
Total	<u>153</u>

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

In accordance with the requirements of GASB Statement No. 75, the Clerk of Court recognized the cost of postemployment healthcare and life insurance benefits in the year when the employee services are received and recognized the liability for OPEB obligations, known as the net OPEB liability, on the statement of net position. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

**Total OPEB Liability**

The Clerk of Court's total OPEB liability of \$17,083,233 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and other inputs - The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases, including inflation	3.00%
Discount rate, net of OPEB plan investment expense, including inflation	2.21%
Healthcare cost trend rates, flat annually	5.50%

The discount rate was based on the average of the Bond Buyers' 20 Year Obligation municipal bond index as of June 30, 2020, the end of the applicable measurement period.

The SOA RP-2014 combined table has been used.

The actuarial assumptions used in the July 1, 2019 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	<u>\$ 8,928,989</u>
Changes for the year:	
Service cost	200,378
Interest	316,021
Differences between expected and actual experience	6,079,542
Changes in assumptions	1,742,221
Benefit payments and net transfers	<u>(183,918)</u>
Net changes	<u>8,154,244</u>
Balance at June 30, 2020	<u>\$17,083,233</u>

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

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 would be if it were calculated using a discount rate that is 1-percentage-point higher (3.21%) or 1- percentage point lower (2.21%) than the current discount rate:

	1.0% Decrease 1.21%	Current Discount Rate 2.21%	1.0% Increase 3.21%
Total OPEB liability	<u>\$ 20,788,550</u>	<u>\$ 17,083,233</u>	<u>\$ 14,250,835</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Clerk 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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease 4.5%	Current Trend Rate 5.5%	1.0% Increase 6.5%
Total OPEB liability	<u>\$ 14,464,826</u>	<u>\$ 17,083,233</u>	<u>\$ 20,503,388</u>

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

For the year ended June 30, 2020, the Clerk of Court recognized OPEB expense of \$1,382,487. At June 30, 2020, the Clerk of Court reported deferred outflows of resources related to OPEB for the differences between expected and actual experience of \$7,283,894 and reported deferred inflows of resources for the differences between expected and actual experience of \$388,157.

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 June 30,					
2021				\$	866,088
2022					866,088
2023					866,088
2024					866,088
2025					866,088
Thereafter					<u>2,565,297</u>
Total					<u>\$6,895,737</u>

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of age 55 and completion of 12 years of full time service (age 60 for employees hired on and after January 1, 2011). However, in order to be eligible for retiree medical insurance coverage paid by the employer, the eligibility provisions are: attainment of age 55 (age 60 for employees hired on and after January 1, 2011), completion of 20 years of full time service, covered under the group's medical insurance plan for at least the last 10 years of full time employment with the Clerk, covered under the group's medical insurance plan at the time of retirement, and immediately upon leaving active service is eligible to receive retirement benefits from the Louisiana Clerk's of Court Retirement and Relief Fund. Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. Life insurance eligibility provisions are as follows: actively covered under the group's Life Insurance Plan at the time they become eligible to receive benefits and age 55 or older with at least 12 years or more of active full time service (age 60 for employees hired on or after January 1, 2011 with at least 12 years or more of active full time service). Life insurance coverage benefits are reduced to 50% of the original amount at retirement. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

**Actuarial Value of Plan Assets** - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

**Turnover Rate** - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 12.5%. It has also been assumed that 5% of retirees decline medical coverage upon retirement.

**Investment Return Assumption (Discount Rate)** - GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate** - The expected rate of increase in medical cost is based on a graded schedule beginning with 5.5% until 2030, down to an ultimate annual rate of 4.5%, thereafter.

LAFAYETTE PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (Continued)

**Mortality Rate** – The SOA RP-2014 combined table is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits** - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical for the retirees and 0% for dependents provided that the retiree had medical coverage for ten years prior to retirement. Unblended retiree rates were provided and used as required by GASB Codification Section P50.

**Inflation Rate** - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

**Projected Salary Increases** - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-retirement Benefit Increases** - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

At June 30, 2020, the Clerk of Court did not have any amounts owed to the OPEB plan.

(9) Risk Management

A. Commercial Insurance Coverage

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

B. Group Self-Insurance

The Clerk of Court maintains a limited risk management program for group hospitalization insurance. The Clerk of Court has contracted Gilsbar Health and Benefit Managements to act as the third-party administrator for the program. An excess of coverage insurance policy covers individual claims in excess of \$40,000 per year and \$1,388,340 per lifetime.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

The General Fund participates in the program. The claims liability of \$21,221 reported in the General Fund at June 30, 2020 is based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated.

The total claims liability of \$23,320 for the program includes \$2,099 for claims that have not incurred but have been reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and number of payouts and other economic and social factors. The Clerk of Court currently does not discount its claims liabilities. Changes in the claims liability are as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year End
2019-2020	\$79,743	\$1,959,274	\$2,015,697	\$23,320
2018-2019	39,421	282,575	242,253	79,743

(10) Changes in Agency Fund Balances

The following is a summary of changes in agency fund unsettled deposits for the year ended June 30, 2020:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$ 8,842,154	\$ 8,279,856	\$ 8,530,510	\$ 8,591,500
Registry of Court	6,790,612	598,159	1,178,168	6,210,603
Election Qualifying	598	59	-	657
Totals	\$15,633,364	\$ 8,878,074	\$ 9,708,678	\$14,802,760

(11) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions up to the allowable annual amount established by law. The Clerk of Court's contribution to the plan amounted to \$344,859 for the year ended June 30, 2020.

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.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(12) Expenditures Paid by the Lafayette City-Parish Consolidated Government

The Clerk of Court's office is located in the Lafayette Parish Courthouse. The Lafayette City-Parish Consolidated Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements. Income relating to court reporting attendance, maintenance agreements and capital outlay required to be paid by the Lafayette City-Parish Consolidated Government are reported as revenues. During the year ended June 30, 2020, the required payments by the Lafayette City-Parish Consolidated Government were not received by the Clerk of Court but are reflected as appropriation expenditures.

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

The schedule of compensation, benefits, and other payments to Louis J. Perret, Clerk of Court, for the year ended June 30, 2020 follows:

Salary	\$ 175,770
Benefits - insurance	11,016
Benefits - retirement	47,897
Benefits - deferred compensation	9,596
Dues	2,627
Vehicle provided by government	4,330
Per diem	783
Registration fees	1,545
Travel	<u>3,038</u>
Total	<u>\$ 256,602</u>

(14) Litigation

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2020.

(15) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Clerk's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 430,000	\$ 296,114	\$ 302,793	\$ 6,679
Fees, charges and commissions -				
Court costs, fees and charges	354,100	327,024	345,432	18,408
Fees for recording legal documents	9,056,000	8,990,796	9,037,904	47,108
Fees for certified copies	620,000	624,398	629,056	4,658
Intergovernmental	270,000	140,047	198,211	58,164
Miscellaneous	970,000	816,510	840,846	24,336
Total revenues	<u>11,700,100</u>	<u>11,194,889</u>	<u>11,354,242</u>	<u>159,353</u>
<b>Expenditures:</b>				
Current -				
General government:				
Personnel services and related benefits	8,134,100	8,585,043	8,553,635	31,408
Operating services	985,500	942,863	931,993	10,870
Material and supplies	390,000	343,071	341,833	1,238
Appropriations to Lafayette City-				
Parish Consolidated Government	120,000	96,110	96,110	-
Capital outlay	65,000	43,844	43,844	-
Total expenditures	<u>9,694,600</u>	<u>10,010,931</u>	<u>9,967,415</u>	<u>43,516</u>
Excess of revenues over expenditures	2,005,500	1,183,958	1,386,827	202,869
Fund balance, beginning of year	<u>14,044,752</u>	<u>14,044,752</u>	<u>14,044,752</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,050,252</u>	<u>\$ 15,228,710</u>	<u>\$ 15,431,579</u>	<u>\$ 202,869</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios  
For the Year Ended June 30, 2020

<b>Total OPEB Liability</b>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 200,378	\$ 82,269	\$ 70,056
Interest	316,021	304,479	314,521
Changes in benefit terms	-	-	-
Differences between expected and actual experience	6,079,542	163,260	(449,445)
Changes of assumptions	1,742,221	202,820	-
Benefit payments and net transfers	<u>(183,918)</u>	<u>(193,718)</u>	<u>(183,619)</u>
Net changes	8,154,244	559,110	(248,487)
Total OPEB liability - beginning	<u>8,928,989</u>	<u>8,369,879</u>	<u>8,618,366</u>
Total OPEB liability - ending	<u>\$17,083,233</u>	<u>\$ 8,928,989</u>	<u>\$ 8,369,879</u>
Covered Employee Payroll	\$ 4,233,928	\$ 4,174,436	\$ 4,052,850
Total OPEB liability as a percentage of covered-employee payroll	403.48%	213.90%	206.52%

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2020\*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	4.422152%	\$ 8,030,592	\$ 4,363,164	184.1%	77.93%
2019	4.580592%	7,618,901	4,300,016	177.2%	79.07%
2018	4.835483%	7,315,767	4,362,270	167.7%	76.69%
2017	5.011399%	9,270,959	4,580,658	202.4%	74.17%
2016	4.989295%	7,484,100	4,522,302	165.5%	78.13%
2015	4.750474%	6,407,333	4,204,756	159.5%	79.37%

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

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Schedule of Employer Pension Contributions  
For the Year Ended June 30, 2020

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	\$ 829,001	\$ 829,001	\$ -	\$ 4,363,164	19.00%
2019	817,003	817,003	-	4,300,016	19.00%
2018	808,206	808,206	-	4,253,716	19.00%
2017	828,831	828,831	-	4,362,270	19.00%
2016	870,325	870,325	-	4,580,658	19.00%
2015	857,983	857,983	-	4,522,302	18.97%

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

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(1) Budgetary and Budgetary Accounting

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

- a. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments, except for capital outlay, were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

(3) Other Postemployment Benefits

- a. Benefit Changes – There were no changes of benefit terms.
- b. Changes of Assumptions – The discount rate decreased from 3.50% to 2.21% for the year ended June 30, 2020.
- c. Change in Mortality Table – The SOA RP-2014 combined table was used in determining the total OPEB liability.

**OTHER SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Comparative Statement of Net Position  
June 30, 2020 and 2019

	Governmental Activities	
	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 15,253,772	\$ 12,970,810
Accounts receivable	232,195	386,874
Insurance stop loss receivable	91,521	875,253
Due from other governmental units	14,789	45,050
Accrued interest	-	2,929
Prepaid expenditures	9,265	8,119
Inventory	-	6,771
Total current assets	15,601,542	14,295,806
Noncurrent assets:		
Capital assets, net	309,812	386,372
Total assets	15,911,354	14,682,178
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	2,196,484	2,044,238
Deferred outflows related to postemployment benefit obligation	7,283,894	348,648
Total deferred outflows of resources	9,480,378	2,392,886
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	165,600	249,040
Due to other governmental units	6,462	9,191
Total current liabilities	172,062	258,231
Noncurrent liabilities:		
Compensated absences	836,316	830,253
Net OPEB obligation	17,083,233	8,928,989
Net pension liability	8,030,592	7,618,901
Total noncurrent liabilities	25,950,141	17,378,143
Total liabilities	26,122,203	17,636,374
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	501,371	519,046
Deferred inflows related to postemployment benefit obligation	388,157	-
Total deferred inflows of resources	889,528	519,046
<b>NET POSITION</b>		
Net investment in capital assets	309,812	386,372
Unrestricted	(1,929,811)	(1,466,728)
Total net position (deficit)	\$ (1,619,999)	\$ (1,080,356)

## **GENERAL FUND**

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

**LAFAYETTE PARISH CLERK OF COURT**  
**Lafayette, Louisiana**  
**General Fund**

**Comparative Balance Sheet**  
**June 30, 2020 and 2019**

	2020	2019
<b>ASSETS</b>		
Cash	\$ 3,450	\$ 3,450
Interest-bearing deposits	15,250,322	12,967,360
Receivables:		
Accounts receivable	232,195	386,874
Insurance stop loss receivable	91,521	875,253
Due from other governmental agencies	14,789	45,050
Accrued interest	-	2,929
Prepaid expenditures	9,265	8,119
Inventory	-	6,771
Total assets	\$ 15,601,542	\$ 14,295,806
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Cash overdraft	\$ 14,464	\$ 33,256
Accounts payable	29,769	29,667
Claims payable	21,221	72,566
Payroll liabilities payable	98,047	106,374
Due to other governmental agencies	6,462	9,191
Total liabilities	169,963	251,054
Fund balance:		
Nonspendable (prepaid expenditures)	9,265	14,890
Assigned - long term benefits	4,000,000	-
Unassigned	11,422,314	14,029,862
Total fund balance	15,431,579	14,044,752
Total liabilities and fund balance	\$ 15,601,542	\$ 14,295,806

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule -  
Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended June 30, 2020  
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
<b>Revenues:</b>					
Licenses and permits	\$ 430,000	\$ 296,114	\$ 302,793	\$ 6,679	\$ 421,774
Fees, charges and commissions -					
Court costs, fees and charges	354,100	327,024	345,432	18,408	353,968
Fees for recording legal documents	9,056,000	8,990,796	9,037,904	47,108	9,096,458
Fees for certified copies	620,000	624,398	629,056	4,658	635,815
Intergovernmental	270,000	140,047	198,211	58,164	202,711
Miscellaneous	970,000	816,510	840,846	24,336	1,091,415
Total revenues	<u>11,700,100</u>	<u>11,194,889</u>	<u>11,354,242</u>	<u>159,353</u>	<u>11,802,141</u>
<b>Expenditures:</b>					
Current -					
General government:					
Personnel services and related benefits	8,134,100	8,585,043	8,553,635	31,408	6,583,685
Operating services	985,500	942,863	931,993	10,870	956,972
Material and supplies	390,000	343,071	341,833	1,238	396,925
Appropriations to Lafayette City - Parish Consolidated Government	120,000	96,110	96,110	-	91,439
Capital outlay	65,000	43,844	43,844	-	133,867
Total expenditures	<u>9,694,600</u>	<u>10,010,931</u>	<u>9,967,415</u>	<u>43,516</u>	<u>8,162,888</u>
Excess of revenues over expenditures	2,005,500	1,183,958	1,386,827	202,869	3,639,253
Fund balance, beginning of year	<u>14,044,752</u>	<u>14,044,752</u>	<u>14,044,752</u>	<u>-</u>	<u>10,405,499</u>
Fund balance, end of year	<u>\$ 16,050,252</u>	<u>\$ 15,228,710</u>	<u>\$ 15,431,579</u>	<u>\$ 202,869</u>	<u>\$ 14,044,752</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2020  
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance - Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Licenses and permits:					
Marriage licenses	\$ 50,000	\$ 36,253	\$ 37,118	\$ 865	\$ 48,093
Passports	70,000	41,745	38,745	(3,000)	67,025
Birth/death certificates	310,000	218,116	226,930	8,814	306,656
Total licenses and permits	<u>430,000</u>	<u>296,114</u>	<u>302,793</u>	<u>6,679</u>	<u>421,774</u>
Fees, charges and commissions:					
Court costs, fees and charges -					
Criminal costs	215,000	192,782	189,479	(3,303)	223,750
Court attendance reporting	29,000	-	25,460	25,460	28,440
Other	110,100	134,242	130,493	(3,749)	101,778
Total court costs, fees and charges	<u>354,100</u>	<u>327,024</u>	<u>345,432</u>	<u>18,408</u>	<u>353,968</u>
Fees for recording legal documents:					
Recordings	3,740,000	3,977,000	3,944,570	(32,430)	3,817,223
LCRAA	70,000	94,628	83,539	(11,089)	75,188
Index search	10,000	9,280	9,400	120	10,660
Cancellations	330,000	406,065	400,034	(6,031)	340,262
Mortgage certificates	41,000	32,688	30,353	(2,335)	42,211
Suits and successions	4,800,000	4,416,346	4,517,415	101,069	4,746,671
UCC filing	65,000	54,789	52,593	(2,196)	64,243
Total fees for recording legal documents	<u>9,056,000</u>	<u>8,990,796</u>	<u>9,037,904</u>	<u>47,108</u>	<u>9,096,458</u>
Certified copies	<u>620,000</u>	<u>624,398</u>	<u>629,056</u>	<u>4,658</u>	<u>635,815</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues (Continued)  
For the Year Ended June 30, 2020  
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance - Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
<b>Intergovernmental:</b>					
Charges reimbursable by parish government	150,000	-	70,650	70,650	62,999
Federal grant - non-support	<u>120,000</u>	<u>140,047</u>	<u>127,561</u>	<u>(12,486)</u>	<u>139,712</u>
Total intergovernmental	<u>270,000</u>	<u>140,047</u>	<u>198,211</u>	<u>58,164</u>	<u>202,711</u>
<b>Miscellaneous:</b>					
Interest earned	480,000	305,330	324,082	18,752	567,951
Elections	30,000	30,767	31,625	858	48,619
Change of venue	-	3,676	3,676	-	30,000
Other	<u>460,000</u>	<u>476,737</u>	<u>481,463</u>	<u>4,726</u>	<u>444,845</u>
Total miscellaneous	<u>970,000</u>	<u>816,510</u>	<u>840,846</u>	<u>24,336</u>	<u>1,091,415</u>
<b>Total revenues</b>	<u>\$ 11,700,100</u>	<u>\$ 11,194,889</u>	<u>\$ 11,354,242</u>	<u>\$ 159,353</u>	<u>\$ 11,802,141</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2020  
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance - Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
<b>Expenditures:</b>					
<b>Current -</b>					
<b>Personnel services and related benefits -</b>					
<b>Salaries:</b>					
Clerk	\$ 163,000	\$ 162,189	\$ 162,189	\$ -	\$ 162,189
Deputy clerks	4,600,000	4,433,480	4,395,592	37,888	4,342,175
Clerk's expense allowance	16,500	15,979	15,979	-	15,979
Clerk's supplemental fund	54,600	55,100	55,100	-	49,500
Hospitalization claims, net	1,700,000	2,363,117	2,368,057	(4,940)	483,874
Payroll taxes, retirement and compensated absences	<u>1,600,000</u>	<u>1,555,178</u>	<u>1,556,718</u>	<u>(1,540)</u>	<u>1,529,968</u>
Total personnel services and related benefits	<u>8,134,100</u>	<u>8,585,043</u>	<u>8,553,635</u>	<u>31,408</u>	<u>6,583,685</u>
<b>Operating services -</b>					
Insurance	57,000	61,417	58,512	2,905	54,185
Professional fees	115,000	117,736	113,004	4,732	88,612
UCC filing	56,000	39,964	32,104	7,860	56,812
LCRAA	66,000	80,147	80,005	142	75,187
Telephone	30,000	26,739	27,338	(599)	25,616
Travel and conventions	8,000	4,054	3,554	500	7,274
Election expense allowance	10,000	5,399	5,399	-	8,492
Copier expense	60,000	52,469	55,051	(2,582)	56,390
Computer operations	300,000	363,591	366,090	(2,499)	301,145
Parking fees	31,000	30,168	30,168	-	28,464
Training	10,000	10,275	10,275	-	12,876
Center for family violence contribution	200,000	138,333	134,026	4,307	188,482
Workers' compensation	7,500	6,571	6,781	(210)	13,836
Miscellaneous	<u>35,000</u>	<u>6,000</u>	<u>9,686</u>	<u>(3,686)</u>	<u>39,601</u>
Total operating services	<u>985,500</u>	<u>942,863</u>	<u>931,993</u>	<u>10,870</u>	<u>956,972</u>

(continued)

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2020  
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance - Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Materials and supplies -					
Office supplies and operations	360,000	310,799	310,740	59	365,225
Automobile and maintenance	15,000	19,822	18,627	1,195	17,773
Dues and subscription	5,000	4,712	5,169	(457)	4,032
Uniforms	10,000	7,738	7,297	441	9,895
Total materials and supplies	<u>390,000</u>	<u>343,071</u>	<u>341,833</u>	<u>1,238</u>	<u>396,925</u>
Appropriations to Lafayette City-Parish Consolidated Government - Operating revenues and expenditures unreimbursed	<u>120,000</u>	<u>96,110</u>	<u>96,110</u>	<u>-</u>	<u>91,439</u>
Capital outlay -					
Office equipment	5,000	1,399	1,399	-	52,781
Computer Software	10,000	-	-	-	51,298
Computer equipment	50,000	42,445	42,445	-	29,788
Total capital outlay	<u>65,000</u>	<u>43,844</u>	<u>43,844</u>	<u>-</u>	<u>133,867</u>
Total expenditures	<u>\$ 9,694,600</u>	<u>\$ 10,010,931</u>	<u>\$ 9,967,415</u>	<u>\$ 43,516</u>	<u>\$ 8,162,888</u>

## **FIDUCIARY FUNDS**

### **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 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. Withdrawals of the funds can be made only upon specific court order.

### **Election Qualifying Fund -**

The Election Qualifying Fund is used to account for funds collected from individuals qualifying to run for political office and remitted to the appropriate governmental bodies or political committees.

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
Fiduciary Funds

Combining Statement of Assets and Liabilities  
June 30, 2020  
With Comparative Totals for June 30, 2019

	Advance Deposit	Registry of Court	Election Qualifying	Totals	
				2020	2019
<b>ASSETS</b>					
Cash	\$ -	\$ 21,179	\$ -	\$ 21,179	\$ 48,784
Interest-bearing deposits	<u>8,591,500</u>	<u>6,189,424</u>	<u>657</u>	<u>14,781,581</u>	<u>15,584,580</u>
Total assets	<u>\$ 8,591,500</u>	<u>\$ 6,210,603</u>	<u>\$ 657</u>	<u>\$ 14,802,760</u>	<u>\$ 15,633,364</u>
<b>LIABILITIES</b>					
Due to litigants and others	<u>\$ 8,591,500</u>	<u>\$ 6,210,603</u>	<u>\$ 657</u>	<u>\$ 14,802,760</u>	<u>\$ 15,633,364</u>

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana  
Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2020  
With Comparative Totals For the Year Ended June 30, 2019

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Election Qualifying</u>	<u>Totals</u>	
				<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Balances, beginning of year	\$ 8,842,154	\$ 6,790,612	\$ 598	\$ 15,633,364	\$ 14,599,599
Additions:					
Suits and successions	8,279,856	-	-	8,279,856	9,627,990
Deposits per court order	-	582,008	-	582,008	952,202
Interest earned	-	16,151	59	16,210	16,673
Total additions	<u>8,279,856</u>	<u>598,159</u>	<u>59</u>	<u>8,878,074</u>	<u>10,596,865</u>
Total	<u>17,122,010</u>	<u>7,388,771</u>	<u>657</u>	<u>24,511,438</u>	<u>25,196,464</u>
Reductions:					
Clerk's costs (transferred to General Fund)	4,517,415	-	-	4,517,415	4,746,672
Refunds to litigants	2,588,470	-	-	2,588,470	1,753,831
Other	713,867	-	-	713,867	844,054
Interest earned (transferred to General Fund)	-	9,143	-	9,143	13,476
Lafayette Parish Sheriff fees	457,464	-	-	457,464	536,541
Other Sheriff fees	253,294	-	-	253,294	272,365
Disbursements by court order	-	1,169,025	-	1,169,025	1,396,161
Total reductions	<u>8,530,510</u>	<u>1,178,168</u>	<u>-</u>	<u>9,708,678</u>	<u>9,563,100</u>
Balances, end of year	<u>\$ 8,591,500</u>	<u>\$ 6,210,603</u>	<u>\$ 657</u>	<u>\$ 14,802,760</u>	<u>\$ 15,633,364</u>
<b>LIABILITIES</b>					
Due to litigants and others, beginning of year	\$ 8,842,154	\$ 6,790,612	\$ 598	\$ 15,633,364	\$ 14,599,599
Additions	8,279,856	598,159	59	8,878,074	10,596,865
Reductions	<u>8,530,510</u>	<u>1,178,168</u>	<u>-</u>	<u>9,708,678</u>	<u>9,563,100</u>
Due to litigants and others, end of year	<u>\$ 8,591,500</u>	<u>\$ 6,210,603</u>	<u>\$ 657</u>	<u>\$ 14,802,760</u>	<u>\$ 15,633,364</u>

**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 MATERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Louis J. Perret  
Lafayette Parish Clerk of Court  
Lafayette, 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 Lafayette Parish Clerk of Court (Clerk of Court) 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 November 13, 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) 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, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Lafayette, Louisiana  
November 13, 2020

LAFAYETTE PARISH CLERK OF COURT  
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2020

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

**A. Internal Control Findings-**

There are no findings to report under this section.

**B. Compliance Findings-**

There are no findings to report under this section

**Part II. Prior Year Findings**

**A. Internal Control Findings-**

There are no findings to report under this section.

**B. Compliance Findings-**

There are no findings to report under this section.