

**THIRD JUDICIAL DISTRICT
JUDICIAL CLERK FUND
PARISHES OF
LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENT
DECEMBER 31, 2020**

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Third Judicial District Judicial Clerk Fund
100 W. Texas Ave., 3rd Floor
Ruston, Louisiana 71270

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of the Third Judicial District Judicial Clerk Fund, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Judicial Clerk Fund's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Third Judicial District Judicial Clerk Fund as of December 31, 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 management's discussion and analysis, budgetary comparison information, and the required schedules related to pension plans on the pages indicated in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Judicial Clerk Fund's basic financial statements. The supplemental schedule of compensation, benefits and other payments, schedule of justice system funding - receiving and schedule of justice system funding - collecting/disbursing are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedule of compensation, benefits and other payments, schedule of justice system funding - receiving and schedule of justice system funding - collecting/disbursing 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 my opinion, the supplemental schedule of compensation, benefits and other payments, schedule of justice system funding - receiving and schedule of justice system funding - collecting/disbursing are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2021, on my consideration of the Judicial Clerk Fund's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Judicial Clerk Fund's internal control over financial reporting and compliance.


Don M. McGehee
Certified Public Accountant
June 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD JUDICIAL DISTRICT COURT

LINCOLN AND UNION PARISHES
STATE OF LOUISIANA

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P.O. Box 388
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MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020

Our discussion and analysis of the Judicial Clerk Fund's financial performance provides an overview of the financial activities for the year ended December 31, 2020. It is based upon currently known facts, decisions, and conditions. Please read it in conjunction with the financial statements which begin on page 8.

Basic Financial Statements

The basic financial statements include government-wide and fund financial statements. The government-wide statements consist of a Statement of Net Position and a Statement of Activities and provide information about the financial activities of our Office as a whole. The government-wide statements present a long-term view of our finances. Fund financial statements consist of the respective fund's balance sheet and the fund's statement of revenues, expenditures and changes in fund balance, if applicable. The fund statements tell how our services were financed in the short-term and what remains for future spending. The primary differences between the fund and government-wide statement presentation methods is that expenditures for capital assets are expensed in the fund financial statements but capitalized and depreciated in the government-wide statements and expenditures for retirement benefits are expensed in the fund financial statements based on required contributions but are measured and expensed in the government-wide statements based on the change in net pension liability and amortization of deferred inflows and outflows using actuarial information.

Statement of Net Position and Statement of Activities

One of the most important questions asked about our finances is, "Is the Judicial Clerk Fund as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about our Office as a whole and about our activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is a method similar to accounting used by most private-sector companies. All revenues and expenses of the current year are reported under this method regardless of when cash is received or disbursed.

These two statements report the Judicial Clerk Fund's net position and the changes in the net position. You can think of net position - the difference between assets and liabilities - as one way to measure the financial health, or financial position, of the Judicial Clerk Fund. Increases/(decreases) in our net position are one indicator of whether our financial health is improving/(deteriorating).

We report the financial activity of all services provided by us in the Statement of Net Position and Statement of Activities. Expenses primarily include salaries and related benefits, office expenses, and outside services. Fees received from defendants, grants and other assistance, and hearing officer fees received on child support payments through the State of Louisiana finance most of our activities.

Government-Wide Financial Analysis

As noted above, net position may serve as a useful indicator of an entity's financial position. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the governmental activities of the Judicial Clerk Fund.

Table 1
Total Net Position

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Current Assets	\$ 662,982	\$ 812,107	\$ (149,125)	(18)%
Capital Assets	<u>15,222</u>	<u>6,716</u>	<u>8,506</u>	127 %
Total Assets	<u>678,204</u>	<u>818,823</u>	<u>(140,619)</u>	(17)%
Total Deferred Outflows	<u>255,270</u>	<u>250,731</u>	<u>4,539</u>	2 %
Long-Term Liabilities	796,957	772,895	24,062	3 %
Other Liabilities	<u>56,396</u>	<u>66,687</u>	<u>(10,291)</u>	(15)%
Total Liabilities	<u>853,353</u>	<u>839,582</u>	<u>13,771</u>	2 %
Total Deferred Inflows	<u>72,469</u>	<u>71,312</u>	<u>1,157</u>	2 %
Net Position:				
Investment in Capital Assets	15,222	6,716	8,506	127 %
Restricted	305,951	333,229	(27,278)	(8)
Unrestricted	<u>(313,521)</u>	<u>(181,285)</u>	<u>(132,236)</u>	73 %
Total Net Position	<u>\$ 7,652</u>	<u>\$ 158,660</u>	<u>\$ (151,008)</u>	(95)%

At the close of the most recent year, net position decreased by \$151,008, a change from the prior year of 95%. Unrestricted net position, which is the part of the amount of net position that can be used to finance the day-to-day operations of the District Clerk's Fund without constraints, decreased \$132,236. The most significant changes from the prior year were a decrease in cash of \$149,125, an increase in net pension liability of \$24,062, and a decrease in accrued liabilities of \$10,291. Investment in capital assets (e.g. land, buildings, machinery and equipment, etc.) of \$15,222 is used to provide services to citizens; consequently, these assets are not available for future spending.

Table 2
Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Revenues				
Program Revenues:				
Fees	\$ 239,936	\$ 274,485	\$ (34,549)	(13)%
Intergovernmental	317,783	343,560	(25,777)	(8)%
Drug Court Revenues	32,341	43,475	(11,134)	(26)%
Grants and Other Assistance	293,747	315,072	(21,325)	(7)%
General Revenues:				
Interest Income	5,790	6,154	(364)	(6)%
Miscellaneous Income	<u>0</u>	<u>65</u>	<u>(65)</u>	100 %
Total Revenues	<u>889,597</u>	<u>982,811</u>	<u>(93,214)</u>	(9)%
Program Expenses:				
General Government-Judicial	<u>1,040,605</u>	<u>965,217</u>	<u>75,388</u>	8 %
Total Expenses	<u>1,040,605</u>	<u>965,217</u>	<u>75,388</u>	8 %
Change in Net Position	\$ <u>(151,008)</u>	\$ <u>17,594</u>	\$ <u>(168,602)</u>	(958)%

Total revenues decreased by 9% (\$93,214) from the prior year, as shown above. Expenses increased 8% (\$75,388) from the prior year, primarily from increases in the areas of group insurance of \$7,490, pension expense of \$6,225, and salaries of \$58,576. The net effect of the revenue decrease and expense increase was an \$168,602 decrease in the Change in Net Position for the year ended December 31, 2020 compared to the prior year.

Fund Financial Statements

The fund financial statements provide more detailed information about individual funds, rather than the District Clerk's Fund as a whole. Funds are accounting devices used to keep track of specific sources of funding and spending for a particular purpose. The Judicial Clerk Fund maintains two governmental funds, the General Fund and a Special Revenue Fund-Children's Assistance. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for each of these funds.

As of our year end on December 31, 2020, our governmental fund (General Fund) reported a fund balance of \$300,634, which is a 21% (\$78,187) variance with last year's fund balance. During 2020, General Fund revenues decreased 8% (\$63,331) as compared to the previous year. General Fund expenditures increased about 3% (\$27,466) over the prior year. The General Fund had \$2,728 in capital outlay expenditures in the prior year compared to \$11,265 in the current year.

Although capital outlay expenditures in the fund financials reduced unrestricted fund balance, it created new assets for the Judicial Clerk Fund, as reported in the Statement of Net Position.

The fund balance in our special revenue fund as of December 31, 2020 was \$305,951, 8% (\$27,278) less than the prior year. Revenues in our special revenue fund were 15% (\$33,898) less than the prior year. Special revenue fund expenditures were 8% (\$16,260) more than the prior year. There were no special revenue fund capital outlay expenditures in the current year or the prior year.

General Fund Budgetary Highlights

We amend our budget when we determine there are unexpected differences between actual and anticipated revenues and/or expenditures. Our final amended budget was adopted just prior to year end. The difference between the original and final amended budget for revenues was a 6% (\$43,068) decrease, which was primarily a \$12,000 decrease in fees, a \$27,000 decrease in intergovernmental revenues to more closely match anticipated revenues. The difference between the original and final amended budget for expenditures was an 6% (\$49,430) decrease in expenditures, which was primarily a \$50,000 decrease in drug court expenses, to more closely match anticipated expenditures.

General fund budgeted amounts were less than 1% (\$2,912) more than actual revenues and 2% (\$17,223) more than actual expenditures. We received \$12,249 (5%) less in fees than budgeted and \$4,267 (3%) more in intergovernmental revenues than budgeted. Actual salaries were \$106,370 (63%) more than budgeted, employee benefits were \$34,189 (32%) more than budgeted, contract services were \$24,406 (93%) less than budgeted, and drug court expense was \$124,098 (38%) less than budgeted.

Capital Assets

In 2020, we purchased \$11,265 of office equipment. For the upcoming year, we plan to purchase computer equipment and office furniture, but there are no plans to issue debt to finance these purchases or any other future project.

Currently Known Facts, Decisions, or Conditions

We are not aware of any facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations after the reporting date.

Contact Information for the Judicial Clerk Fund

This financial report is designed to provide citizens and taxpayers with a general overview of the finances of the Judicial Clerk Fund and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Thomas W. Rogers at 100 W. Texas Avenue, 3rd Floor, Ruston, LA 71270.

GOVERNMENT WIDE FINANCIAL STATEMENTS

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 239,594
Certificates of Deposit	337,943
Due from Other Governmental Units	85,325
Due from Others	120
Capital assets, net of depreciation	<u>15,222</u>
TOTAL ASSETS	<u>678,204</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>255,270</u>
LIABILITIES	
Accounts Payable	30,660
Accrued Liabilities	25,736
Long-Term Liabilities	
Pension Liability	<u>796,957</u>
TOTAL LIABILITIES	<u>853,353</u>
DEFERRED INFLOWS OF RESOURCES	<u>72,469</u>
NET POSITION	
Invested in Capital Assets	15,222
Restricted for:	
Children's Assistance Program	305,951
Unrestricted (Deficit)	<u>(313,521)</u>
TOTAL NET POSITION	<u><u>\$ 7,652</u></u>

See accompanying notes to financial statements.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expense) Revenue
GOVERNMENTAL ACTIVITIES:					
General Government-Judicial	\$ <u>1,040,605</u>	\$ <u>405,490</u>	\$ <u>478,317</u>	\$ <u>0</u>	\$ <u>(156,798)</u>
TOTAL GOVERNMENTAL ACTIVITIES	\$ <u>1,040,605</u>	\$ <u>405,490</u>	\$ <u>478,317</u>	\$ <u>0</u>	<u>(156,798)</u>
 GENERAL REVENUES:					
Interest Earnings					<u>5,790</u>
TOTAL GENERAL REVENUES					<u>5,790</u>
CHANGE IN NET POSITION					(151,008)
NET POSITION - BEGINNING					<u>158,660</u>
NET POSITION - ENDING					<u>\$ <u>7,652</u></u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Children's Assistance Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 105,494	\$134,100	\$ 239,594
Certificates of Deposit	217,658	120,285	337,943
Due from Other Governments	70,792	14,533	85,325
Due from Others	120	0	120
Due from Other Funds	<u>0</u>	<u>39,096</u>	<u>39,096</u>
TOTAL ASSETS	<u>\$ 394,064</u>	<u>\$308,014</u>	<u>\$ 702,078</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 28,836	\$ 1,824	\$ 30,660
Accrued Liabilities	25,497	239	25,736
Due to Other Funds	<u>39,096</u>	<u>0</u>	<u>39,096</u>
TOTAL LIABILITIES	<u>93,429</u>	<u>2,063</u>	<u>95,492</u>
FUND BALANCES			
Restricted for -			
Children's Assistance	0	305,951	305,951
Unassigned	<u>300,635</u>	<u>0</u>	<u>300,635</u>
TOTAL FUND BALANCES	<u>300,635</u>	<u>305,951</u>	<u>606,586</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 394,064</u>	<u>\$308,014</u>	

Amounts Reported for Government Activities in the Statement of Net Position are different from those reported above because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the Governmental Fund statements.	15,222
The deferred outflows of expenditures for pension obligations are not a use of current resources and therefore are not reported in the fund financial statements.	255,270
The deferred inflows of contributions for pension obligations are not available resources and therefore are not reported in the fund financial statements.	(72,469)
Adjustment for Long-Term Liabilities - Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the general fund balance sheet nor reflected in fund balance for the general fund.	<u>(796,957)</u>
NET POSITION OF GOVERNMENT ACTIVITIES	<u>\$ 7,652</u>

See accompanying notes to financial statements.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General</u>	<u>Children's Assistance</u>	<u>Total Governmental Funds</u>
REVENUES			
Fees Collected by:			
Lincoln Parish Sheriff	\$ 130,488	\$ 0	\$ 130,488
Union Parish Sheriff	55,504	0	55,504
Lincoln Parish Clerk of Court	10,789	0	10,789
Union Parish Clerk of Court	7,140	0	7,140
Union Parish Probation Fees	39,330	0	39,330
Intergovernmental:			
Lincoln Parish Criminal Court	117,467	0	117,467
Union Parish Criminal Court	45,800	0	45,800
State of Louisiana-Children's Assistance	0	184,571	184,571
Drug Court Revenue	32,341	0	32,341
Grant Revenue	293,747	0	293,747
Interest Income	<u>3,506</u>	<u>2,284</u>	<u>5,790</u>
TOTAL REVENUES	<u>736,112</u>	<u>186,855</u>	<u>922,967</u>
EXPENDITURES			
Judicial	803,034	214,133	1,017,167
Capital Outlay	<u>11,265</u>	<u>0</u>	<u>11,265</u>
TOTAL EXPENDITURES	<u>814,299</u>	<u>214,133</u>	<u>1,028,432</u>
NET CHANGES IN FUND BALANCES	(78,187)	(27,278)	(105,465)
FUND BALANCES - BEGINNING	<u>378,822</u>	<u>333,229</u>	<u>712,051</u>
FUND BALANCES - ENDING	<u>\$ 300,635</u>	<u>\$ 305,951</u>	<u>\$ 606,586</u>

See accompanying notes to financial statements.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS	\$ (105,465)
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Amounts reported for governmental activities in the Statement of Activities are different from those reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balance on the previous page because:

Revenues of \$33,370 recognized in prior year Statement of Activities were not available to fund prior period expenditures and were therefore not recognized as revenue in the prior year fund financial statements but were recognized in the current year fund financial statements.	(33,370)
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Governmental Fund statements report capital outlays as expenditures. However, the Statement of Activities reflects capital outlays as an increase in capital assets and recognizes an economic cost of the asset as depreciation expense over the estimated useful life of the asset. Depreciation expense in the statement of activities was \$2,759 and there was \$11,265 of capital outlay expenditures in the governmental funds.	8,506
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Adjustment for Difference in Pension Expense - Governmental funds report pension expenditures based on required contributions, while in the Statement of Activities pension expense is reported based on the change in net pension liability and amortization of deferred inflows and outflows.	<u>(20,679)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(151,008)</u>
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**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

The Third Judicial District Judicial Clerk Fund was established by legislative act. The act provides for the collection of fees in the form of court costs and fines, and provides for such secretarial, clerical, research, administrative or other personnel as are deemed necessary to expedite the business and functions of the court. The Judicial Clerk Fund may also be used to pay for establishing and maintaining a law library, equipment, supplies, and any other costs or expenses related to the proper administration of the court, except for the payment of judge's salaries. The Judicial Clerk Fund service area is composed of the parishes of Lincoln and Union located in north central Louisiana.

The financial statements of the Judicial Clerk Fund are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable), that do not conflict or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Judicial Clerk Fund are discussed below:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

For financial reporting purposes, in conformity with GASB Statement No. 14, the Judicial Clerk Fund of the Third Judicial District is a component unit of the Lincoln Parish Police Jury. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

BASIC FINANCIAL STATEMENTS, MEASUREMENT FOCUS, AND BASIS OF ACCOUNTING

The Judicial Clerk Fund's basic financial statements include both government-wide and fund financial statements.

Government-Wide Financial Statements

The government-wide Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. On the Statement of Net Position, the net position is reported in three parts as described below:

Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any outstanding debt used to finance those assets.

Restricted - consists of the amount of net position restricted by the Judicial Clerk Fund's creditors, by state enabling legislation, by grantors, and by other contributors. In situations where it is permissible to apply restricted resources, typically available restricted resources are depleted before consuming unrestricted resources.

Unrestricted - all other net position amounts are reported in this category.

The Statement of Activities reports both the gross and net cost of the judicial function. The function is supported by general government revenues. The Statement of Activities reduces gross expense (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants. The net costs are normally covered by general revenue. This government-wide focus is on the sustainability of the Judicial Clerk Fund as an entity and the change in its net position resulting from the current year's activities.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund financial statements of the Judicial Clerk Fund report the financial transactions in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The focus of the government funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Judicial Clerk's Fund reports these governmental funds:

Governmental Funds

General Fund

The General Fund is the general operating fund of the Judicial Clerk Fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The Judicial Clerk Fund uses the following special revenue fund:

Children's Assistance - To account for a 5 percent fee assessed in non-support cases which go through the state's Child Support Enforcement program. These fees are used to pay the salary of the hearing officer, appointed by the judges of the Third Judicial District to hear support and support related matters, and other expenditures incurred with the implementation of this procedure.

All government funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. An availability period of 60 days was used. Revenues accrued include fines (collected by another governmental unit and remitted to the Judicial Clerk Fund), intergovernmental revenues, fees collected by the court, and reimbursements for expenditures from the state. Revenues that are not considered susceptible to accrual include certain charges for fees. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change. There were no such designations anytime during the year.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND BALANCE

Beginning January 1, 2011, the Judicial Clerk's Fund implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - amounts that are not in spendable form (such as prepaids) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned Fund Balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Judicial Clerk Fund administrator establishes (and modifies or rescinds) fund balance commitments by passage of an order by the Judges. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Judges through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGETS AND BUDGETARY ACCOUNTING

The Judicial Clerk Fund prepares an operating budget on its General Fund and Special Revenue Fund for each year, including the year ended December 31, 2020. Budgetary amounts are prepared based on prior year actual operating revenues and expenditures. During November, the clerk submits to the district judges a proposed operating budget for the year commencing in the following January. The operating budget includes proposed expenditures and the means of financing them. During December, the budget is published in the official journal, made available for public inspection, and legally enacted through passage of an order. The district judges are authorized to transfer budgeted amounts between line items within a fund but revisions that alter the total expenditures of a fund must be approved by budget amendment. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. State law requires budgets to be amended when anticipated revenues or expenditures vary unfavorably with budget amounts by more than 5%. The budget is monitored and amended when significant variations are identified. The 2020 general fund budget was authorized by the district judges, made available for public inspection at the court's office, and adopted by the district judges on December 17, 2019. The budget was amended prior to year end by the district judges.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CERTIFICATES OF DEPOSIT

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits with original maturities of three months or less from the date of acquisition. Under state law, the Judicial Clerk Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of any state of the United States, or under the laws of the United States. State law and the Judicial Clerk Fund's investment policy allow investment in collateralized certificates of deposit, which are reported at cost.

INTERFUND ACTIVITY

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. All transfers between individual governmental funds are eliminated on the Statement of Activities.

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 and inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

CAPITAL ASSETS

Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available, and depreciated over their estimated useful lives. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. A threshold level of \$500 or more is used for capitalizing assets. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture and Fixtures	10 - 15 years
Equipment	5 - 15 years

VACATION AND SICK LEAVE

The Judicial Clerk Fund has adopted a vacation and sick leave plan which allows a maximum of 12 days vacation and 12 days sick leave per year. Employees are not allowed to carry over the unused vacation or sick leave from year to year. Upon termination, accumulated sick leave lapses and no payments are made for the unused accumulation. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year end.

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and the Parochial Employees Retirement System of Louisiana (PERS), and additions to/deductions from LASERS' and PERS' fiduciary net position have been determined on the same basis as they are reported by LASERS and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

At December 31, 2020, the Judicial Clerk Fund had cash and certificates of deposit as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>
Demand Deposits	\$ 239,594	\$ 0
Time Deposits	0	337,943
Total	\$ 239,594	\$ 337,943

Cash consists of demand deposits. Deposits are carried at cost which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. Pledged 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.

At December 31, 2020, the Judicial Clerk Fund has \$630,027 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

Fees from -	
Lincoln Parish Sheriff's Office	\$ 10,237
Union Parish Sheriff's Office	3,451
Lincoln Parish Clerk of Court	960
Union Parish Clerk of Court	450
State of Louisiana - Child Support Fees	14,533
Lincoln Parish Criminal Court Fund	25,502
Union Parish Criminal Court Fund	5,300
State of Louisiana-Supreme Court (Drug Court)	24,892
TOTAL	\$ 85,325

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020**

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020, are as follows:

	<u>Balance</u> <u>01/01/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
<u>Capital Assets at Cost</u>				
Furniture and Fixtures	\$ 14,246	\$ 0	\$ 0	\$ 14,246
Equipment	<u>116,569</u>	<u>11,265</u>	<u>0</u>	<u>127,834</u>
TOTALS	<u>130,815</u>	<u>11,265</u>	<u>0</u>	<u>142,080</u>
<u>Less:</u>				
Accumulated Depreciation	<u>124,099</u>	<u>2,759</u>	<u>0</u>	<u>126,858</u>
Net Capital Assets	<u>\$ 6,716</u>	<u>\$ 8,506</u>	<u>\$ 0</u>	<u>\$ 15,222</u>

Depreciation expense of \$2,759 was charged to the general government judicial function in the Statement of Activities, of which \$2,047 was related to the general fund and \$712 was related to the children's assistance fund.

NOTE 5 - PENSION PLANS

The Judicial Clerk Fund contributes to the Louisiana State Employees' Retirement System (LASERS) and the Parochial Employees Retirement System of Louisiana (PERS). All employees are members of PERS if they are permanent employees working at least 28 hours a week and are not a member of LASERS.

The LASERS plan is a cost sharing multiple-employer defined benefit pension plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. The retirement system issues a publicly available financial report. That report may be obtained by writing to Louisiana State Employees' Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling 1-800-256-3000.

The PERS plan is a cost sharing multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana (PERS). The PERS was established and provided for by R.S. 11:1901 of the Louisiana Revised Statutes. The PERS Board of Trustees and the Louisiana Legislature have the authority to review administration, benefit terms, investments, and funding of the plan. The retirement system issues a publicly available financial report. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361. Access to the stand-alone audit report for the year ended December 31, 2020 can be found on the Louisiana Legislative Auditor's website: www.la.gov or the PERS website: www.persla.org.

GENERAL INFORMATION ABOUT THE PENSION PLANS

Benefits Provided

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

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLANS (CONTINUED)

Retirement Benefits

LASERS Plan

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age, with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLANS (CONTINUED)

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

PERS Plan

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification.

Any member of Plan A can retire providing he/she meets one of the following criteria:

Employees hired prior to January 1, 2007, can retire at any age with thirty or more years of creditable service, age 55 with twenty-five years of creditable service, age 60 with a minimum of ten years of creditable service, or age 65 with a minimum of seven years of creditable service.

Employees hired after January 1, 2007, can retire age 55 with 30 years of service, age 62 with ten years of service, or age 67 with 7 years of service.

Any member of Plan B can retire providing he/she meets one of the following criteria:

Employees hired prior to January 1, 2007, can retire at age 55 with thirty years of creditable service, age 60 with a minimum of ten years of creditable service, or age 65 with a minimum of seven years of creditable service.

Employees hired after January 1, 2007, can retire age 55 with 30 years of service, age 62 with ten years of service, and age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member shall consist of an amount equal to a percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts. The percent used for Plan A members is three percent, and Plan B participants use two percent.

Deferred Retirement Benefits

LASERS Plan

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLANS (CONTINUED)

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

PERS Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments in the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who became eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

LASERS Plan

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

PERS Plan

For Plan A and Plan B, a member shall be eligible to retire and receive a disability benefit if hired prior to January 1, 2007, and has a least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board.

Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lessor of an amount equal to a three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty. Plan B members shall be paid a disability benefit equal to the lessor of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Survivor's Benefits

LASERS Plan

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

PERS Plan

Upon the death of any member of Plan A with five or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Upon the death of any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. Plan B members need ten years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

Permanent Benefit Increases/Cost-of-Living Adjustments

LASERS Plan

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

PERS Plan

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July, 1973. The adjustment cannot exceed two percent of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to two percent of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

LASERS Plan

The employer contribution rate is established annually under La. R.S. 11:401-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the LASERS actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2020 are as follows:

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

Plan	Plan Status	Employee Rate	Employer Contribution Rate
Appellate Law Clerks	Closed	7.50 %	40.70 %
Appellate Law Clerks hired on or after 7/1/2006	Open	8.00 %	40.70 %
Regular Employees hired before 7/1/2006	Closed	7.50 %	40.70 %
Regular Employees hired on or after 7/1/2006	Closed	8.00 %	40.70 %
Regular Employees hired on or after 1/1/2011	Closed	8.00 %	40.70 %
Regular Employees hired on or after 7/1/15	Open	8.00 %	40.70 %
Optional Retirement Plan before 7/1/2006	Closed	7.50 %	40.70 %
Optional Retirement Plan on or after 7/1/2006	Closed	8.00 %	40.70 %
Special Legislative Employees	Closed	9.50 %	42.40 %
Judges hired before 1/1/2011	Closed	11.50 %	42.40 %
Judges hired after 12/31/2010	Closed	13.00 %	42.00 %
Judges hired on or after 7/1/15	Open	13.00 %	42.00 %
Corrections Primary	Closed	9.00 %	36.90 %
Corrections Secondary	Closed	9.00 %	40.70 %
Wildlife Agents	Closed	9.50 %	49.70 %
Peace Officers	Closed	9.00 %	39.40 %
Alcohol Tobacco Control	Closed	9.00 %	31.40 %
Bridge Police	Closed	8.50 %	39.80 %
Bridge Police Hired after 7/01/06	Closed	8.50 %	39.80 %
Hazardous Duty	Open	9.50 %	41.70 %
Harbor Police	Closed	9.00 %	7.70 %
Legislators	Closed	11.50 %	40.40 %

The Judicial Clerk Fund's contractually required composite contribution rate for the pension plan year ended June 30, 2020 and 2021 was 40.7% and 40.1%, respectively, of annual covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the the Judicial Clerk's Fund were \$88,625 for the year ended December 31, 2020.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

PERS Plan

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A and 7.53% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2020 was 12.25% for Plan A and 7.50% for Plan B. The Judicial Clerk Fund participates in Plan A.

According to state statute, the System also receives one-fourth of one percent of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The Judicial Clerk Fund's contractually required composite contribution rate for the pension plan year ended December 31, 2020 was 12.25% of annual covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the the Judicial Clerk's Fund were \$21,260 for the year ended December 31, 2020.

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

At December 31, 2020, the Employer reported a liability of \$796,957 for its proportionate share of the Net Pension Liability for all plans. The Net Pension Liability was measured as of June 30, 2020 for the LASERS Plan and as of December 31, 2019 for the PERS Plan, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of those dates. The Judicial Clerk Fund's proportion of the Net Pension Liability was based on a projection of the Fund's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Judicial Clerk's Fund's proportion of the LASERS Plan was 0.00962% for the District Court which was an increase of 0.00010% from its proportion measured as of June 30, 2019. At December 31, 2019, the Judicial Clerk's Funds proportion of the PERS Plan was 0.026266%, which was a decrease of 0.000748% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the the Judicial Clerk Fund recognized pension expense of \$126,481 plus employer's amortization of change in proportionate share and less differences between employer contributions and proportionate share of contributions of \$4,083.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

At December 31, 2020, the Judicial Clerk Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 18,711
Changes of assumptions	19,815	0
Net difference between projected and actual earnings on pension plan investments	116,319	46,349
Change in proportion and differences between Employer contributions and proportionate share of contributions	71,577	7,409
Employer contributions subsequent to the measurement date	<u>47,559</u>	<u>0</u>
Total	<u>\$ 255,270</u>	<u>\$ 72,469</u>

The Judicial Clerk Fund is reporting \$47,559 as deferred outflows of resources related to pensions resulting from their contributions subsequent to the measurement date which is recognized as a reduction of the Net Pension Liability in the year ended December 31, 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 December 31:

2021	\$ 62,958
2022	\$ 26,337
2023	\$ 39,893
2024	\$ 6,054

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

Actuarial Assumptions

LASERS Plan

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.55% per annum, net of investment expenses*
Inflation Rate	2.3% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale Mp-2018. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.0 %	12.8 %
Judges	2.6 %	5.1 %
Corrections	3.6 %	13.8 %
Hazardous Duty	3.6 %	13.8 %
Wildlife	3.6 %	13.8 %

Cost of Living Adjustments *The present value of future of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.*

* The investment rate of return used in the actuarial valuation for funding purposes was 7.90%, recognizing an additional 35 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.55%, which is the same as the discount rate. Therefore, it was concluded that the 7.55% discount is reasonable.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

Actuarial Assumptions

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting long-term rate of return is 8.25% for 2020. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation¹	Long-Term Expected Real Rate of Return¹
Cash	0 %	-0.59 %
Domestic equity	23 %	4.79 %
International equity	32 %	5.83 %
Domestic Fixed Income	6 %	1.76 %
International Fixed Income	10 %	3.98 %
Alternative Investments	22 %	6.69 %
Risk Parity	7 %	4.20 %
Total	100 %	5.81 %

¹ For reference only: Target Allocation presented in LASERS 2020 CAFR, page 50, and Long-Term Expected Real Rate of Return, page 29.

PERS Plan

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Plan A - Entry Age Normal Plan B - Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	Plan A - 4.75% Plan B - 4.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the PERS and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

Inflation Rate

2.40%

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.0% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019. Best estimates of arithmetic real rates of return for each major asset class included in the PERS target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35 %	1.05 %
Equity	52 %	3.41 %
Alternatives	11 %	0.61 %
Real Assets	2 %	0.11 %
Totals	100 %	5.18 %
Inflation		2.00 %
Expected Arithmetic Nominal Return		7.18 %

The morality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using MP2018 scale. For disabled annuitants mortality was set to equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

Discount Rate

LASERS Plan

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan'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.

PERS Plan

The discount rate used to measure the total pension liability was 6.50% for Plan A and 6.50% for Plan B. 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 and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

LASERS Plan

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.65%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.65%) or one percentage-point higher (8.65%) than the current rate:

	<u>1.0% Decrease (6.55%)</u>	<u>Current Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
Employer's proportionate share of the net pension liability	\$ 977,817	\$ 795,721	\$ 641,192

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 - PENSION PLAN (CONTINUED)

PERS Plan

The following presents the net pension liability of the participating employer's proportionate share calculated using the discount rate of 6.50%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employer's proportionate share of the net pension liability	\$ 133,639	\$ 1,236	\$ (109,714)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2020 Comprehensive Annual Financial Report at www.lasersonline.org and the PERS 2019 Comprehensive Annual Financial Report at www.persla.org.

Payables to the Pension Plan

As of December 31, 2020, the Judicial Clerk Fund recorded a payable to LASERS of \$9,498 and to PERS of \$9,395 for the required monthly contribution that was made after year end.

REQUIRED SUPPLEMENTARY INFORMATION

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
DECEMBER 31, 2020

	Original Budget Amounts	Amended Budget Amounts	Actual Amounts	Variance with Amended Budget Favorable (Unfavorable)
REVENUES				
Fees	\$ 267,500	\$ 255,500	\$ 243,251	\$ (12,249)
Drug Court Income	31,000	32,500	32,341	(159)
Grants and Other Assistance	297,568	292,000	293,747	1,747
Interest Income	24	24	3,506	3,482
Intergovernmental	<u>186,000</u>	<u>159,000</u>	<u>163,267</u>	<u>4,267</u>
TOTAL REVENUES	<u>782,092</u>	<u>739,024</u>	<u>736,112</u>	<u>(2,912)</u>
EXPENDITURES				
Capital Outlay	0	5,100	11,265	(6,165)
Computer Expense	10,000	4,500	11,053	(6,553)
Contract Services	26,200	26,200	1,794	24,406
Dues	3,000	3,000	2,844	156
Drug Court Expenses	275,000	325,000	200,902	124,098
Employee Benefits	108,000	108,000	142,189	(34,189)
FINS Expenses	32,568	32,568	9,499	23,069
Insurance	7,500	7,500	10,903	(3,403)
Library	40,000	36,000	32,120	3,880
Licenses and Permits	250	250	1,167	(917)
Miscellaneous	0	0	746	(746)
Office Expenses	20,839	14,414	14,315	99
Payroll Taxes	5,800	5,800	7,493	(1,693)
Probation Expenses	1,220	11,475	11,799	(324)
Professional Fees	40,000	40,000	28,899	11,101
Rent	5,340	5,340	5,484	(144)
Repairs and Maintenance	1,900	1,900	0	1,900
Salaries	169,000	169,000	275,370	(106,370)
Telephone	19,400	19,400	19,175	225
Trial Expenses	0	0	1,212	(1,212)
Travel and Seminars	15,100	15,100	25,563	(10,463)
Workers' Compensation	<u>975</u>	<u>975</u>	<u>507</u>	<u>468</u>
TOTAL EXPENDITURES	<u>782,092</u>	<u>831,522</u>	<u>814,299</u>	<u>17,223</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	0	(92,498)	(78,187)	(170,685)
FUND BALANCE - BEGINNING	<u>0</u>	<u>0</u>	<u>378,822</u>	<u>378,822</u>
FUND BALANCE - ENDING	<u>\$ 0</u>	<u>\$ (92,498)</u>	<u>\$ 300,635</u>	<u>\$ 208,137</u>

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE-SPECIAL REVENUE FUND
DECEMBER 31, 2020**

CHILDREN'S ASSISTANCE

	<u>Budget Amounts</u>	<u>Actual Amounts</u>	Variance with Budget Favorable (Unfavorable)
REVENUES			
Intergovernmental	205,000	184,571	(20,429)
Interest Income	<u>873</u>	<u>2,284</u>	<u>1,411</u>
TOTAL REVENUES	<u>205,873</u>	<u>186,855</u>	<u>(19,018)</u>
EXPENDITURES			
Capital Outlay	2,950	0	2,950
Contract Services	11,400	10,519	881
Court Reporter Fees	485	0	485
Dues	2,100	1,019	1,081
Employee Benefits	0	2,042	(2,042)
Insurance	4,000	4,360	(360)
Office Expense	15,680	8,313	7,367
Other	0	41	(41)
Payroll Taxes	0	993	(993)
Professional Fees	15,810	12,333	3,477
Repairs and Maintenance	150	0	150
Rent	18,000	18,000	0
Salaries	125,000	151,808	(26,808)
Telephone	2,200	3,016	(816)
Training and Seminars	3,625	0	3,625
Travel	<u>4,385</u>	<u>1,689</u>	<u>2,696</u>
TOTAL EXPENDITURES	<u>205,785</u>	<u>214,133</u>	<u>(8,348)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	88	(27,278)	(27,366)
FUND BALANCE - BEGINNING	<u>0</u>	<u>333,229</u>	<u>333,229</u>
FUND BALANCE - ENDING	<u>\$ 88</u>	<u>\$ 305,951</u>	<u>\$ 305,863</u>

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
DECEMBER 31, 2020

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana State Employees' Retirement System					
2020	0.00962 %	\$ 795,721	\$ 196,592	404.76 %	58.00 %
2019	0.00952 %	689,498	152,376	452.50 %	62.90 %
2018	0.00784 %	534,887	150,291	355.90 %	64.30 %
2017	0.01012 %	712,822	186,414	382.39 %	62.50 %
2016	0.00979 %	768,529	183,014	419.93 %	57.70 %
2015	0.00945 %	642,198	179,214	358.34 %	62.70 %
2014	0.00973 %	608,282	168,762	360.44 %	65.00 %
Parochial Employees' Retirement System					
2020	0.02627 %	1,236	173,547	0.71 %	99.89 %
2019	0.01879 %	83,397	166,546	50.07 %	88.86 %
2018	0.01910 %	(14,179)	115,512	(12.27)%	101.98 %
2017	0.01942 %	40,000	117,587	34.02 %	94.15 %
2016	0.02296 %	60,440	115,184	52.47 %	92.23 %
2015	0.01921 %	5,253	131,647	3.99 %	99.15 %
2014	0.02202 %	15,871	108,724	14.60 %	99.77 %

Notes:

The Louisiana State Employees' Retirement System amounts presented for each fiscal year were determined as of a June 30th measurement date prior to the fiscal year end.

The Parochial Employees' Retirement System amounts presented for each fiscal year were determined December 31st measurement date.

This schedule is presented to illustrate the requirement to show information for 10 years. The years presented are the only years for which the required information is available.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
DECEMBER 31, 2020

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TO PENSION PLANS**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
Louisiana State Employees' Retirement System					
2020	\$ 88,625	\$ 88,625	\$ 0	\$ 219,500	40.38 %
2019	69,895	69,895	0	177,349	39.41 %
2018	57,529	57,529	0	151,791	37.90 %
2017	61,994	61,994	0	168,802	36.73 %
2016	67,165	67,165	0	184,014	36.50 %
2015	67,009	67,009	0	180,614	37.10 %
2014	60,649	60,649	0	177,447	34.18 %
Parochial Employees' Retirement System					
2020	\$ 21,260	\$ 21,260	\$ 0	\$ 173,547	12.25 %
2019	19,153	19,153	0	166,546	11.50 %
2018	13,284	13,284	0	115,512	11.50 %
2017	14,698	14,698	0	117,587	12.50 %
2016	14,974	14,974	0	115,184	12.99 %
2015	19,089	19,089	0	131,647	14.50 %
2014	17,396	17,396	0	108,724	15.99 %

Notes:

The amounts presented were determined as of the end of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. The years presented are the only years for which the required information is available.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Louisiana State Employees' Retirement System

1. Schedule of Employer's Share of Net Pension Liability

This schedule reflects the participation of Third Judicial District Judicial Clerk Fund employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability.

2. Schedule of Employer's Contributions

This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

3. Changes in Actuarial Assumptions for Net Pension Liability

The following is a list of changes in actuarial assumptions:

Investment Rate of Return	7.55% per annum for 2020 7.60% per annum for 2019 7.65% per annum for 2018 7.70% per annum for 2017 7.75% per annum for 2016 and 2015
Inflation Rate	2.30% per annum for 2020 2.50% per annum for 2019 2.75% per annum for 2018 and 2017 3.00% per annum for 2016 and 2015

Parochial Employees' Retirement System

1. Schedule of Employer's Share of Net Pension Liability

This schedule reflects the participation of Third Judicial District Judicial Clerk Fund employees in PERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability.

2. Schedule of Employer's Contributions

This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

3. Changes in Actuarial Assumptions for Net Pension Liability

The following is a list of changes in actuarial assumptions:

Investment Rate of Return	6.50% per annum for 2020 and 2019 6.75% per annum for 2018 7.00% per annum for 2017 and 2016 7.25% per annum for 2015
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OTHER REPORTS AND SCHEDULES

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

Third Judicial District Judicial Clerk Fund
100 W. Texas Ave., 3rd Floor
Ruston, Louisiana 71270

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Third Judicial District Judicial Clerk Fund, Louisiana, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Judicial Clerk Fund's basic financial statements, and have issued my report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, I did identify certain deficiencies in internal control that I consider to be a material weakness and significant deficiencies.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as finding #2020-1 that I consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Judicial Clerk Fund's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item #2020-2 and #2020-3.

Judicial Clerk Fund's Response to Findings

The Judicial Clerk Fund's response to the finding identified in my audit is described in the accompanying schedule of management's corrective action plan. The Judicial Clerk Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of the 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.



Don M. McGehee
Certified Public Accountant
June 28, 2021

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

I have audited the financial statements of the Judicial Clerk Fund as of and for the year ended December 31, 2020, and have issued my report thereon dated June 28, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2020 resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*:

Section 1 Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiency Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section 2 Financial Statement Findings

Finding 2020-1. Separation of Duties. The Judicial Clerk Fund's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

Finding 2020-2. Budgeted Expenditures in Excess of Estimated Funds Available. The amended budget for the General fund for the year ended December 31, 2020, included proposed expenditures in excess of the total estimated funds available.

Finding 2020-3. Unfavorable Budget Variance. The Special revenue fund budget was not amended for the year ended December 31, 2020, to reflect a decrease in actual revenues of more than 5% of the amount originally budgeted.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section 1 Internal Control and Compliance Material to the Financial Statement

Finding #2019-1. Segregation of Duties. Too few personnel involved in the accounting system to have adequate segregation of duties for internal control.

Status: Unresolved. See Finding #2020-1.

Finding 2019-2. Budgeted Expenditures in Excess of Estimated Funds Available. The amended budget for the general fund for the year ended December 31, 2019, included proposed expenditures in excess of the total estimated funds available.

Status: Unresolved. See Finding #2020-2.

THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020

Section 1 Internal Control and Compliance Material to the Financial Statement

Finding #2020-1. Segregation of Duties. The Judicial Clerk's Fund is required to design internal controls with proper segregation of duties to prevent, or detect and correct, misstatements in the accounting system. The Judicial Clerk's Fund has inadequate segregation of duties because there are too few personnel involved in the accounting system. The financial statements could have a misstatement that would not be prevented, or detected and corrected. Recommend that the Judicial Clerk Fund involve more personnel in the accounting system to allow for adequate segregation of duties.

Management's Response: *The Judicial Clerk's Fund is in the process of implementing changes to its internal controls to improve segregation of duties.*

Finding 2020-2. Budgeted Expenditures in Excess of Estimated Funds Available. The amended budget for the General fund for the year ended December 31, 2020, included proposed expenditures in excess of the total estimated funds available. State budget law does not allow the Judicial Clerk Fund to budget proposed expenditures in excess of the total estimated funds available for the year, including beginning fund balance and any anticipated revenues. The Judicial Clerk Fund amended budget did not include an amount for beginning fund balance, which would have provided sufficient estimated funds available to cover the proposed expenditures. I recommend ensuring that all proposed budgets include the beginning fund balance, and that the total of proposed expenditures do not exceed the total of estimated funds available.

Management's Response: *There was a clerical mistake made in preparing the budget which caused the beginning fund balance to be omitted from the proposed amended budget. The Judicial Clerk Fund had sufficient beginning fund balances to cover the excess proposed expenditures. The Judicial Clerk Fund will include beginning fund balance in each proposed budget prepared in 2021.*

Finding 2020-3. Unfavorable Budget Variance. The special revenue fund had an unfavorable budget variance of 9% for revenues. According to state law, the budget should be amended when actual revenues appear to be less than anticipated amounts available by more than 5%. I recommend that budget variances be monitored more closely and that the budget be amended when anticipated amounts are less than budget amounts by more than 5%.

Management's Response: *The Judicial Clerk Fund will monitor the 2021 actual and budget amounts more closely and recommend amendments when the actual revenue appears to be less than the budgeted revenue by more than 5%.*

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
 PARISHES OF LINCOLN AND UNION, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND
 OTHER PAYMENTS TO THE JUDGES
 FOR THE YEAR ENDED DECEMBER 31, 2020**

District Judge of the Third Judicial District, Jeffrey Robinson:

	<u>Purpose</u>	<u>Amount</u>
Cell Phone		\$ 1,197
Lease of Vehicle		6,939
Reimbursements		3,607

District Judge of the Third Judicial District, Bruce Hampton:

	<u>Purpose</u>	<u>Amount</u>
Cell Phone		\$ 782
Lease of Vehicle		1,200

District Judge of the Third Judicial District, Thomas Rogers:

	<u>Purpose</u>	<u>Amount</u>
Cell Phone		\$ 1,066
I-Pad		870

**THIRD JUDICIAL DISTRICT JUDICIAL CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

Schedule of Justice System Funding - Receiving

For the Year Ended December 31, 2020

As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Receipts From:		
Lincoln Parish Sheriff, Bond Fees	21,991	18,640
Union Parish Sheriff, Bond Fees	13,602	16,571
Lincoln Parish Clerk of Court, Civil Fees	5,782	5,569
Union Parish Clerk of Court, Civil Fees	3,840	3,555
Lincoln Parish Sheriff, Criminal Court Costs/Fees	38,714	28,709
Union Parish Sheriff, Criminal Court Costs/Fees	12,042	11,427
Lincoln Parish Sheriff, Other	9,900	9,900
Total Receipts	105,871	94,371
Ending Balance of Amounts Assessed but Not Received		

**THIRD JUDICIAL DISTRICT CLERK FUND
PARISHES OF LINCOLN AND UNION, LOUISIANA**

Schedule of Justice System Funding - Collecting/Disbursing

For the Year Ended December 31, 2020

As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended <u>06/30/20</u>	Second Six Month Period Ended <u>12/31/20</u>
Beginning Balance of Amounts Collected	[]	[]
Add: Collections		
Probation/Parole/Supervision Fees	11,220	28,110
Other	14,051	18,290
Subtotal Collections	<u>25,271</u>	<u>46,400</u>
Less: Disbursements To Governments & Nonprofits:		
	-	-
Less: Amounts Retained by Collecting Agency	25,271	46,400
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
	-	-
Subtotal Disbursements/Retainage	<u>25,271</u>	<u>46,400</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	[]	[]
Ending Balance of "Partial Payments" Collected but not Disbursed	[]	[]
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	[]	[]
Total Waivers During the Fiscal Period	[]	[]