

PLAQUEMINES PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2020

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of net position	6
Statement of activities	7
Fund Financial Statements	
Governmental Fund:	
Balance sheet	9-10
Statement of revenues, expenditures and changes in fund balance	11-12
Statement of fiduciary net position	13
Notes to financial statements	14-34
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	36
Schedule of changes in total OPEB liability and related ratios	37
Schedule of employer's share of net pension liability	38
Schedule of employer contributions	39
Notes to required supplementary information	40-41
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	43-44
Schedule of audit results and findings	45-47
Summary schedule of prior audit findings	48
Corrective action plan for current audit findings	Appendix A

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinions

The Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2020. The unreconciled deposits represent approximately 17 percent of the fiduciary fund type's assets and liabilities at June 30, 2020. Because the Clerk of Court has not reconciled these deposits, it was not practical for us to determine the amount of fees, if any, due to the Advance Deposit Agency Fund from litigants or the amount due to the General Fund from the Advance Deposit Agency Fund for fees earned resulting from suit activity at June 30, 2020. The effects of not reconciling these deposits on the financial statements cannot be reasonably determined.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Clerk of Court, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedule on page 36, schedule of changes in total OPEB liability and related ratios on page 37, schedule of employer's share of net pension liability on page 38, schedule of employer contributions on page 39, or notes to required supplementary information on pages 40-41 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
February 10, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
 Belle Chasse, Louisiana
 Statement of Net Position
 June 30, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,396,873
Receivables:	
Accounts, net	14,983
Due from other governmental entities	8,976
Prepaid expenses	2,250
Total current assets	2,423,082
Noncurrent assets:	
Capital assets, net	29,251
Total assets	2,452,333
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to -	
Net pension liability	393,513
OPEB liability	67,792
Total deferred outflows of resources	461,305
LIABILITIES	
Noncurrent liabilities:	
Due within one year:	
Compensated absences	19,531
Due in more than one year:	
Compensated absences	13,710
OPEB obligation payable	1,142,100
Net pension liability	1,278,121
Total liabilities	2,453,462
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to -	
Net pension liability	32,698
OPEB liability	397,676
Total deferred inflows of resources	430,374
NET POSITION	
Net investment in capital assets	29,251
Unrestricted	551
Total net position	\$ 29,802

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Activities
Year Ended June 30, 2020

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
Governmental activities:		Charges for Services	Operating Contributions	Governmental Activities
General government	\$ 1,545,650	\$ 1,417,635	\$ 77,390	\$ (50,625)
General revenues:				
Interest and investment earnings				5,123
Change in net position				(45,502)
Net position- July 1, 2019				75,304
Net position - June 30, 2020				\$ 29,802

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

FUND FINANCIAL STATEMENTS

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet
Governmental Fund
June 30, 2020

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 2,396,873
Receivables:	
Accounts, net	14,983
Due from other governmental entities	8,976
Prepaid expenditures	<u>2,250</u>
Total assets	<u>\$ 2,423,082</u>
LIABILITIES AND FUND BALANCE	
Accrued liabilities	<u>33,241</u>
Fund balance:	
Nonspendable	2,250
Unassigned	<u>2,387,591</u>
Total fund balance	<u>2,389,841</u>
Total liabilities and fund balance	<u>\$ 2,423,082</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Balance Sheet (continued)
Governmental Fund
June 30, 2020

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

Total fund balance for the governmental fund at June 30, 2020		\$2,389,841
Cost of capital assets	182,516	
Less: Accumulated depreciation	<u>(153,265)</u>	29,251
Deferred outflows of resources related to -		
Net pension liability	393,513	
OPEB liability	<u>67,792</u>	461,305
Long-term liabilities		
OPEB obligation payable		(1,142,100)
Net pension liability		(1,278,121)
Deferred inflows of resources related to -		
Net pension liability	(32,698)	
OPEB liability	<u>(397,676)</u>	<u>(430,374)</u>
Total net position of governmental activities at June 30, 2020		<u>\$ 29,802</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

	<u>General Fund</u>
Revenues:	
Licenses	\$ 30,189
Fees, charges and commissions for services	1,329,287
Intergovernmental	9,834
Miscellaneous	<u>53,448</u>
Total revenues	<u>1,422,758</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	1,152,766
Operating services	211,263
Material and supplies	55,735
Capital outlay	<u>20,357</u>
Total expenditures	<u>1,440,121</u>
Net change in fund balance	(17,363)
Fund balance, beginning	<u>2,407,204</u>
Fund balance, ending	<u>\$2,389,841</u>

(continued)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

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

Total net change in fund balances for the year ended June 30, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (17,363)
Capital outlay costs	20,357	
Less: Depreciation expense	<u>(8,696)</u>	11,661
Net change in OPEB expense		33,264
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Increase in pension expense	(150,454)	
Nonemployer pension contribution revenue	<u>77,390</u>	<u>(73,064)</u>
Total change in net position for the year ended June 30, 2020 per Statement of Activities		<u>\$ (45,502)</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Statement of Fiduciary Net Position
June 30, 2020

	<u>Agency Funds</u>
ASSETS	
Restricted assets-	
Cash and interest-bearing deposits	<u>\$ 12,974,472</u>
LIABILITIES	
Due to litigants and others	<u>\$ 12,974,472</u>

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. The Clerk of Court is a component unit of the Plaquemines Parish Government. The Clerk of Court is fiscally dependent on the Plaquemines Parish Government since the Clerk of Court's offices are located in the Parish Annex Building, the upkeep and maintenance of the building is paid by the Parish Government and certain operating expenditures of the Clerk of Court's office are paid by the Parish Government.

As an independently elected official, the Clerk of Court is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

B. Basis of Presentation

Government-Wide Financial Statements

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fund Financial Statements

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

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

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

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

Governmental Fund -

General Fund

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. Since by definition agency funds are custodial in nature and any assets held are for the benefit of third parties and cannot be used to address activities or obligations of the Clerk of Court, agency funds are not incorporated into the government-wide financial statements. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

The government-wide and fiduciary fund financial statements are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Basis of Accounting

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

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

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

Cash and interest-bearing deposits

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

Investments

Under state law, the Clerk may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates local government investment pool.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
-----------------------------------	------------

Compensated Absences

Earned time off (ETO) is provided to all full-time employees and is earned based on length of service. Employees with one to five years of service earn twenty-two days each year. Employees with over five years of service earn twenty-seven days each year. Employees are allowed to carry a maximum of fifteen unused ETO days per year. Upon resignation or retirement, employees may be paid for unused leave at the employee's current rate of pay.

During the fiscal year ended June 30, 2020, the Clerk became obligated for termination benefits of approximately \$9,633 in relation to ETO.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

- c. Unrestricted - all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the government’s highest level of decision-making authority, the Clerk of Court.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent established by the Clerk of Court.
- e. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Clerk of Court’s General Fund.

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

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

E. Expenditures and Expenses

Expenditures/Expenses

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

F. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available indicating the uncollectibility of the receivable.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. At June 30, 2020, the Clerk of Court has cash and cash equivalents (book balances) totaling \$15,371,345 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and interest-bearing deposits	\$ 2,396,873	\$ 12,974,472	\$ 15,371,345

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2020 are as follows:

Bank balances	\$ 16,116,690
Federal insurance	\$ 750,000
Collateralized by pledged securities	15,366,690
Total federal insurance and pledged securities	\$ 16,116,690

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Clerk of court does not have a policy to monitor or attempt to reduce exposure to custodial credit risk or to limit the allowable deposits or investments. At June 30, 2020, deposits in the amount of \$15,366,690 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution, or pledging institution's trust department or agent, but not in the Clerk of Court's name.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(3) Receivables and Due from Other Governmental Entities

Receivables and amounts due from other governmental entities at June 30, 2020 consist of the following:

	Receivables	Due from Other Governments
Governmental activities:		
Accounts, net of allowance of \$166	\$ 14,983	\$ -
State of Louisiana:		
Department of Children and Family Svcs	-	1,551
Clerk supplemental compensation fund	-	1,800
Plaquemines Parish Government	-	3,153
Plaquemines Parish Sheriff	-	2,472
	\$ 14,983	\$ 8,976

(4) Capital Assets

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

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Furniture, fixtures, and equipment	\$ 188,346	\$ 20,357	\$ 26,187	\$ 182,516
Less: Accumulated depreciation	(170,756)	(8,696)	(26,187)	(153,265)
Net capital assets	\$ 17,590	\$ 11,661	\$ -	\$ 29,251

Depreciation expense of \$8,696 was charged to the general government function.

(5) Pension Plan

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Plan Description

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

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

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.

Retirement Benefits

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

Disability Benefits

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Survivor Benefits

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

Deferred Retirement Option Plan

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

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate his original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments

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

Employer Contributions

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

Non-employer Contributions

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2020, was \$77,390.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

At June 30, 2020, the Clerk of Court reported liabilities in its government-wide financial statements of \$1,278,121 for its proportionate share of the net pension liabilities of the fund. The net pension liabilities were measured as of June 30, 2019 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The Clerk of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Clerk of Court's proportional share of the fund was 0.703814%, which was an increase of 0.016987% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Clerk of Court recognized pension expense of \$283,434.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 35,887	\$ -
Changes of assumptions	81,702	-
Net difference between projected and actual earnings on pension plan investments	99,019	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	43,925	32,698
Employer contributions subsequent to the measurement date	132,980	-
	\$ 393,513	\$ 32,698

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

The \$132,980 reported as deferred outflows of resources related to pensions resulting from Clerk of Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
2021	\$ 95,555
2022	20,198
2023	71,805
2024	<u>40,277</u>
	<u>\$ 227,835</u>

Actuarial Assumptions

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

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

	Louisiana Clerks' of Court Retirement and Relief Fund
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense, including inflation
Projected Salary Increases	5.00%
Inflation Rate	2.50%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females
Expected Remaining Service Lives	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The investment rate of return was 6.75%, which was unchanged from the rate used as of June 30, 2018. The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.38%, for the year ended June 30, 2019. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2019 is summarized in the following table:

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

The discount rate used to measure the total pension liability was 6.75%, which was unchanged from the rate used as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement System's Actuarial Committee (PRSAC), taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine to total pension liability.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Sensitivity to Changes in Discount Rate

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 1,899,075	\$ 1,278,121	\$ 751,335

Payables to the Pension Plan:

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

Retirement Fund Audit Report

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

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

Plan description

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

Benefits provided

The Clerk of Court provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree pre-Medicare health Option 1, Medicare Supplement, dental, and life insurance premiums. For pre-Medicare health Option 2, retirees are required to pay the difference between Option 1 and Option 2 premiums. The plan also provides for payment of 100% of dependent premiums. Vision is voluntary and paid 100% by the retiree.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Employees covered by benefit terms

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

Inactive employees currently receiving benefits payments	6
Active employees	11
Total	<u>17</u>

The Clerk of Court's total OPEB liability of \$1,142,100 was measured as of June 30, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions and other inputs.

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

Inflation:	2.40%
Salary Increases, including inflation:	3.25%
Discount Rate:	2.45%
Health Care Cost Trend Rates:	
Medical:	6.5% for 2021, decreasing 0.25% per year to an ultimate rate of 5.0% for 2027 and later years.
Medicare Advantage:	5.0% for 2021, decreasing 0.25% per year to an ultimate rate of 3.0% for 2029 and later years. Includes 2% per year for aging.
Dental:	3.0% annual trend
Vision:	3.0% annual trend
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for Opt 1 retirees Difference between Opt 1 and Opt 2 for Opt 2 retirees 100% for dependents.
Medicare Advantage:	0% for retirees and 100% for dependents.
Dental:	0% for retirees and 100% for dependents.
Vision:	100% for retirees and 100% for dependents.
Basic Life Insurance:	0%

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

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

Changes in Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 6/30/2019	<u>\$ 1,523,813</u>
Charges for the year:	
Service Cost	13,592
Interest	47,611
Change in Benefit Terms	(22,606)
Differences between expected and actual experience	37,074
Changes in Assumptions/Inputs	(424,814)
Benefit Payments	<u>(32,570)</u>
Net Changes	<u>(381,713)</u>
Balance at 6/30/2020	<u>\$ 1,142,100</u>

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

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

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB Liability	<u>\$ 1,337,804</u>	<u>\$ 1,142,100</u>	<u>\$ 984,226</u>

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

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

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 1,055,911	\$ 1,142,100	\$ 1,283,695

For the year ended June 30, 2020, the Clerk of Court recognized an OPEB expense of \$(693). At June 30, 2020, the Clerk of Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,126	\$ 20,064
Changes in assumptions or other inputs	33,666	377,612
Total	\$ 67,792	\$ 397,676

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

Year Ended <u>June 30</u>	
2021	\$ (39,291)
2022	(39,291)
2023	(39,291)
2024	(39,682)
2025	(43,082)
Thereafter	(129,247)
	\$ (329,884)

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(7) Net Position

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

(8) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Year Ended June 30, 2020			Unsettled Deposits at End of Year
	Unsettled Deposits at Beginning of Year	Additions	Reductions	
Agency funds:				
Advance Deposit	\$ 1,760,252	\$ 826,060	\$ 1,802,671	\$ 783,641
Registry of Court	11,843,873	1,032,080	685,122	12,190,831
Totals	\$ 13,604,125	\$ 1,858,140	\$ 2,487,793	\$ 12,974,472

Total amount due to litigants and others are payable from the reported restricted assets.

(9) Compensated Absences

The following is a summary of transactions for the year ended June 30, 2020:

Compensated absences payable, July 1, 2019	\$ 30,425
Additions	2,816
Compensated absences payable, June 30, 2020	\$ 33,241

In prior years, compensated absences have been liquidated by the Clerk of Court's General Fund.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

(10) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

The Clerk of Court's contributions to the Plan for the year ended June 30, 2020 was \$85,058.

(11) Risk Management

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

(12) Expenditures of the Clerk of Court Paid by the Plaquemines Parish Government

The Clerk of Court's offices are located in the Plaquemines Parish Annex building and Courthouse. The Plaquemines Parish Government pays for the upkeep and maintenance of the buildings. In addition, the Parish Government also pays some of the Clerk of Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(13) Compensation and Other Payments to Chief Officer

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

Annual Salary	\$ 148,229
Car allowance	20,213
Benefits - Insurance	11,220
Benefits - Retirement	40,372
Benefits - Deferred compensation match	13,000
Conference travel	1,870
Election expense allowance	<u>1,800</u>
Total	<u>\$ 236,704</u>

REQUIRED SUPPLEMENTARY INFORMATION

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Licenses and permits	\$ 38,100	\$ 29,500	\$ 30,189	\$ 689
Fees, charges and commissions for services	1,398,850	1,338,281	1,329,287	(8,994)
Intergovernmental	23,900	9,700	9,834	134
Miscellaneous	47,250	70,085	53,448	(16,637)
Total revenues	<u>1,508,100</u>	<u>1,447,566</u>	<u>1,422,758</u>	<u>(24,808)</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,141,443	1,126,393	1,152,766	(26,373)
Operating services	217,890	235,175	211,263	23,912
Material and supplies	67,060	55,182	55,735	(553)
Capital outlay	37,000	25,000	20,357	4,643
Total expenditures	<u>1,463,393</u>	<u>1,441,750</u>	<u>1,440,121</u>	<u>1,629</u>
Net change in fund balance	44,707	5,816	(17,363)	(23,179)
Fund balance, beginning	<u>2,407,204</u>	<u>2,407,204</u>	<u>2,407,204</u>	<u>-</u>
Fund balance, ending	<u>\$2,451,911</u>	<u>\$2,413,020</u>	<u>\$ 2,389,841</u>	<u>\$ (23,179)</u>

See notes to required supplementary information.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	\$ 31,849	\$ 32,714	\$ 13,592
Interest	52,686	46,522	47,611
Changes in benefit terms	-	-	(22,606)
Differences between expected and actual experience	2,342	(30,095)	37,074
Changes in assumptions or other inputs	-	50,499	(424,814)
Benefits payments	<u>(54,758)</u>	<u>(58,901)</u>	<u>(32,570)</u>
Net change in total OPEB liability	32,119	40,739	(381,713)
Total OPEB liability, beginning	<u>1,450,955</u>	<u>1,483,074</u>	<u>1,523,813</u>
Total OPEB liability, ending	<u>\$ 1,483,074</u>	<u>\$ 1,523,813</u>	<u>\$ 1,142,100</u>
Covered employee payroll	<u>649,109</u>	<u>681,560</u>	<u>701,799</u>
Total OPEB Liability as a percentage of covered employee payroll	<u>228.48%</u>	<u>223.58%</u>	<u>162.74%</u>

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

See notes to required supplementary information.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.642096%	\$ 866,099	\$ 582,641	148.65%	79.37%
2015	0.691087%	\$ 1,036,652	\$ 625,229	165.80%	78.13%
2016	0.735562%	\$ 1,360,771	\$ 671,379	202.68%	74.17%
2017	0.636932%	\$ 963,636	\$ 613,098	157.17%	79.69%
2018	0.686827%	\$ 1,142,400	\$ 637,700	179.14%	79.07%
2019	0.703814%	\$ 1,278,121	\$ 686,520	186.17%	77.93%

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Employer Contributions
Year Ended June 30, 2020

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 115,667	\$ 118,794	\$ -	\$ 625,229	19.00%
2016	\$ 127,562	\$ 127,562	\$ -	\$ 671,379	19.00%
2017	\$ 116,489	\$ 116,489	\$ -	\$ 613,098	19.00%
2018	\$ 121,163	\$ 121,163	\$ -	\$ 637,700	19.00%
2019	\$ 130,439	\$ 130,439	\$ -	\$ 686,520	19.00%
2020	\$ 132,980	\$ 132,980	\$ -	\$ 699,893	19.00%

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

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

(2) Budget Adoption

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

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

(3) Retirement Systems

1. Changes of benefit terms – There were no changes of benefit terms.
2. Changes of assumptions –

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

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

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Notes to Required Supplementary Information (continued)

(4) Other Postemployment Benefits

1. Changes of Benefit Terms- Effective January 1, 2020, retiree contributions for dependent coverage increased from 50% to 100%.
2. Changes of Assumptions-

The following are the discount rates used in each period:

Period	Discount Rate
2018	3.62%
2019	3.13%
2020	2.45%

Mortality Rates

Period	Source
2018	RPH-2014 Employee and Healthy Annuitant, Generational with MP-2018.
2019	PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2018.
2020	PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2019.

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

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

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

The Honorable Kim Turlich-Vaughan
Plaquemines Parish Clerk of Court
Belle Chasse, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Plaquemines Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the Plaquemines Parish Government, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the Clerk of Court's basic financial statements, and have issued our report thereon dated February 10, 2021. We expressed qualified opinions on the financial statements of the Clerk of Court's governmental activities, major fund, and aggregate remaining fund information because the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2020-001 and 2020-002, that we consider to be material weaknesses.

Compliance and Other Matters

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

Clerk of Court's Responses to Findings

The Clerk of Court's responses to the findings identified in our audit are described in the accompanying corrective action plan for current audit findings. The Clerk of Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
February 10, 2021

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings
Year Ended June 30, 2020

Part I. Summary of Auditor's Results

Financial Statements

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

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

2. Internal control over financial reporting:

Material weakness(es) identified?	<u> x </u>	yes	<u> </u>	no
Significant deficiency(ies) identified?	<u> </u>	yes	<u> x </u>	none reported

3. Noncompliance material to the financial statements? yes x no

Other

4. Management letter issued? yes x no

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2020

Part II. Findings Reported in accordance with *Governmental Auditing Standards*:

A. Internal Control

2020-001 Segregation of duties

YEAR INITIALLY OCCURRING: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process affected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2020

2020-002 Reconciliation of docket balances

YEAR INITIALLY OCCURRING: Unknown

CONDITION: Aggregate suit docket balances in the Advance Deposit Agency Fund do not reconcile with the related cash deposits.

CRITERIA: Internal control is a process affected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Clerk of Court's internal control over financial reporting includes those policies and procedures that pertain to an its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the condition is the failure to reconcile individual suit docket balances to the related cash deposits.

EFFECT: Failure to reconcile docket balances with the related cash deposits increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: We recommend that the Clerk of Court attempt to reconcile the individual suit dockets with the related cash balances.

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

The requirements of the Uniform Guidance do not apply to the Clerk of Court.

PLAQUEMINES PARISH CLERK OF COURT
Belle Chasse, Louisiana

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

A. Internal Control Findings –

2019-001- Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: N/A

CURRENT STATUS: See schedule of audit results and findings item 2020-001.

2019-002- Reconciliation of Docket Balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.

MANAGEMENT'S RESPONSE: The Clerk of Court continues the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund. These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

CURRENT STATUS: See schedule of audit results and findings item 2020-002.

B. Compliance Findings –

No findings were reported under this section.

C. Uniform Guidance –

No applicable in prior period.

D. Management Letter –

Not issued in prior period.

CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

APPENDIX A



Kim Turlich-Vaughan

Clerk of Court & Ex-Officio Recorder
Twenty-Fifth Judicial District
Parish of Plaquemines

(504) 934-6612
Fax (504) 934-6629
www.clerk25th.com

301 Main St. Ste. 108
P.O. Box 40
Belle Chasse LA 70037

FRANK J. BORNE, JR.
Chief Deputy

February 10, 2021

Kolder, Slaven & Company, LLC
1201 David Drive
Morgan City, LA 70380

The following is in response to the findings resulting from the Plaquemines Parish Clerk of Court's (hereinafter "Clerk") audit for the fiscal year ended June 30, 2020:

2020-001 Segregation of duties

Accounting and financial function are not adequately segregated.

Management's Response

Corrective Action Plan: Due to the relatively small size of the Clerks operations, it is not feasible to hire additional personnel to achieve complete segregation of duties.

2020-002 Reconciliation of docket balances

Aggregate suit docket balances in the Advance Deposit Agency Fund do not reconcile with the related cash deposits.

Management's Response

Corrective Action Plan: We continue to research and attempt to reconcile the individual suit dockets with the related cash balances and seek the opinion of legal counsel regarding balances which may not be identifiable.

Name of contact person responsible for corrective action: Kim Turlich-Vaughan, Clerk of Court

Anticipated completion date for the corrective action: 6/30/2021

Sincerely,

Kim Turlich-Vaughan
Clerk of Court, Parish of Plaquemines