

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022
With
INDEPENDENT AUDITOR'S REPORT**

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA**

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THE HALFORD FIRM, PLLC

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INDEPENDENT AUDITOR'S REPORT

Marion Hopkins
Madison Parish Clerk of Court
Madison Parish Courthouse
Tallulah, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish Clerk of Court (Clerk of Court) as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the Madison Parish Clerk of Court's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Clerk of Court, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk of Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a

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material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk of Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 6 and the budgetary comparison schedule, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer contributions, pages 31- 34, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The schedule of compensation, benefits and other payments to agency head, and the justice system funding schedules for a collecting/dispersing entity, and the justice system funding schedules for a receiving entity is presented on pages 37 – 40 as other supplemental information (OSI) for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this OSI is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information in the annual report. The other information comprises the fiduciary funds combining statements but does not comprise the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 7, 2022, on our consideration of the Madison Parish 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 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 Madison Parish Clerk of Court's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 7, 2022

REQUIRED SUPPLEMENTARY INFORMATION

MADISON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Madison Parish Clerk of Court's financial performance provides an overview of the Clerk's financial activities for the year ended June 30, 2022. Please review it in conjunction with the transmittal letter and Madison Parish Clerk of Court's basic financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

Total net position increased by \$48,346 as a result of this year's operations.

Program specific revenues accounted for \$494,080, or 88.63% of all revenues.

The Madison Parish Clerk of Court had \$509,134 in expenses related to governmental activities with \$494,080 in program revenues to cover the cost of those programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Clerk as a whole and present a longer-term view of the Clerk's finances. Fund financial statements start on page 9. For governmental activities, these statements tell you how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Clerk's operations in more detail than the government-wide statements by providing information about the Clerk's most significant funds.

Government-Wide Financial Statements:

The government-wide financial statements consist of two statements. These are the Statement of Net Position and Statement of Activities. The Statement of Net Position presents information on all of the Madison Parish Clerk of Court's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Madison Parish Clerk of Court is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. These statements disclose that in the current year, the Clerk's net position decreased by \$102,455.

Fund Financial Statements:

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and Government Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The current year Statement of Revenues, Expenditures, and Changes in Fund Balances has a \$46,761 excess of expenditures over receipts.

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Clerk's liabilities exceeded assets by \$955,920. The Madison Parish Clerk of Court's net position reflects its investment in capital assets at June 30, 2022, to be \$-0-.

Management's Discussion and Analysis
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The following table reflects a condensed statement of the Clerk's net position as of June 30, 2022, and 2021.

	<u>Governmental-Type Activities</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Assets		
Current & other assets	\$ 164,348	\$ 152,638
Capital assets	-	234
Total Assets	<u>164,348</u>	<u>152,872</u>
Deferred outflows of resources	<u>234,044</u>	<u>373,351</u>
Liabilities		
Current liabilities	43,017	40,595
Long-term liabilities	698,073	1,281,788
Total Liabilities	<u>741,090</u>	<u>1,322,383</u>
Deferred inflows of resources	<u>613,222</u>	<u>208,106</u>
Net Position (Deficit)		
Invested in capital assets, net	-	234
Unrestricted	(955,920)	(1,004,500)
Total Net Position (Deficit)	<u>\$ (955,920)</u>	<u>\$ (1,004,266)</u>

A portion of the net position may either be restricted as to the purposes for which it can be used or invested in capital assets. Unrestricted net position increased by \$48,580. Unrestricted net position may be used to fund the Madison Parish Clerk of Court programs in the next fiscal year.

Changes in net position. The Madison Parish Clerk of Court's total revenues were \$557,480 representing an increase of \$81,996, or 17.24%. A significant portion, \$244,213 or 43.81% comes from court costs, fees, and charges. (See Table 2).

**Table 2 Madison Parish Clerk of Court sources of Revenue
for Fiscal Year 2022**

Court cost, fees and charges	\$ 244,213	43.81%
Fees for recording legal documents	190,560	34.18%
Other operating revenue	59,307	10.64%
Total operating revenue	<u>494,080</u>	<u>88.63%</u>
Intergovernmental	24,600	4.41%
Interest income	297	0.05%
Other revenue	36,415	6.53%
Election reimbursement	2,088	0.37%
Total revenue	<u>\$ 557,480</u>	<u>100.00%</u>

Request for Information

This financial report is designed to provide a general overview of the Madison Parish Clerk of Court's finances for all those with an interest in the Madison Parish Clerk of Court's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Madison Parish Clerk of Court, 100 North Cedar, P. O. Box 1710, Tallulah, Louisiana 71282.

BASIC FINANCIAL STATEMENTS

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 138,474
Receivables	8,932
Due from Advance Deposit Fund	16,942
Total current assets	<u>164,348</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	-
Total Assets	<u>164,348</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	46,144
Pension related	187,900
Total Deferred Outflows of Resources	<u>234,044</u>
LIABILITIES	
Current liabilities:	
Accounts payable	11,086
Accrued payroll and related benefits	17,808
Due to Advance Deposit Fund	14,123
Long-term Liabilities:	
OPEB payable	347,546
Net pension liabilities	350,527
Total Liabilities	<u>741,090</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB related	441,467
Pension related	171,755
Total Deferred Inflows of Resources	<u>613,222</u>
NET POSITION (DEFICIT)	
Invested in capital assets	-
Unrestricted (deficit)	(955,920)
Total Net Position (Deficit)	<u>\$ (955,920)</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
Governmental activities:			
General government	\$ 509,134	\$ 494,080	\$ (15,054)

General revenues:	
Intergovernmental	24,600
Interest earnings	297
Election reimbursement	2,088
Other	36,415
Total general revenues	<u>63,400</u>
Change in net position	48,346
Net position (deficit) - Beginning	<u>(1,004,266)</u>
Net position (deficit) - Ending	<u>\$ (955,920)</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 138,474
Receivables	8,932
Due from Advance Deposit Fund	16,942
 Total Assets	 164,348
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	11,086
Accrued payroll and related benefits	17,808
Due to Advance Deposit Fund	14,123
 Total Liabilities	 43,017
Fund Balance:	
Unassigned	121,331
Total Fund Balance	121,331
 Total Liabilities and Fund Balance	 \$ 164,348

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

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

Fund balances, Total governmental funds		\$ 121,331
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	125,159	
Less accumulated depreciation	<u>(125,159)</u>	
The deferred outflows of expenditures for the Clerks' of Court Retirement and Relief Fund are not a use of current resources, and therefore, are not reported in the fund financial statements		234,044
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:		
OPEB payable	(347,546)	
Net pension liability	<u>(350,527)</u>	
		(698,073)
The deferred inflows of contributions for the Clerks' of Court Retirement and Relief Fund are not available current resources, and therefore, are not reported in the fund financial statements		<u>(613,222)</u>
Net Position (Deficit) of Governmental Activities		<u>\$ (955,920)</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

Revenues	
Licenses and permits - marriage	\$ 1,465
Intergovernmental revenues:	
Clerk's supplemental compensation	24,600
Fees, charges, and commissions for services:	
Court costs, fees, and charges	244,213
Fees for recording legal documents	190,560
Fees for certified copies of documents	57,842
Use of money and property -	
Interest income	297
Election	2,088
Other	36,415
Total Revenues	<u>557,480</u>
 Expenditures	
Current:	
General government - judicial:	
Personal services and related benefits	459,570
Operating services	72,069
Materials and supplies	6,598
Travel and other charges	7,474
Total Expenditures	<u>545,711</u>
 Excess (Deficiency) of Revenues Over Expenditures	 11,769
 Fund Balance - Beginning of Year	 <u>109,562</u>
 Fund Balance - End of Year	 <u>\$ 121,331</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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

Net Change in Fund Balances, total governmental funds	\$	11,769
Governmental funds do not report funds received more than 60 days after year end, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities:		
		13,860
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
		-
The Statement of Activities reported the unfunded cost of post-employment medical insurance (OPEB) in the current year, but the costs will not be reported in the governmental funds until actually paid.		
		38,728
Net pension expense is reported in governmental funds as an expenditure when it is paid, but is reported in the Statement of Activities according to estimates required by GASB 68:		
Pension expenses paid	81,105	
Pension expenses per GASB 68	<u>(97,116)</u>	
		<u>(16,011)</u>
Change in Net Position of Governmental Activities	\$	<u>48,346</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2022**

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 388,126
Due from General Fund	<u>14,123</u>
Total Assets	<u><u>402,249</u></u>
Liabilities	
Accounts payable	21,953
Due to litigants and other	<u>380,296</u>
Total Liabilities	<u><u>\$ 402,249</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Madison Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the significant accounting policies are discussed in subsequent subscriptions of this note.

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

A. FINANCIAL REPORTING ENTITY

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is responsible for the operations of her office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the parish government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the parish government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of last year of the term in office.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Clerk, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

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 included (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, including all taxes, are presented as general revenues.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. BASIS OF PRESENTATION - continued

Fund Financial Statements (FFS)

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

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. 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/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

Governmental Fund – General Fund

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

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

Fiduciary Funds - Agency Funds

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

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.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, and changes in net position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported.

In the fund financial statements, the government fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included in its balance sheet. The 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.

Basis of Accounting

In the government-wide Statement of Net Position and Statements 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, gain, 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 measurements 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

D. BUDGET AND BUDGETARY ACCOUNTING

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

1. A proposed budget is prepared by the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

-continued

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. BUDGET AND BUDGETARY ACCOUNTING - continued

3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of the fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

E. CASH AND INTEREST-BEARING DEPOSITS

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts and certificates of deposits of the Clerk of Court.

The Clerk has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the Clerk may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

G. CAPITAL ASSETS

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 maintains a threshold level of \$1,000, or more for capitalizing capital assets.

Capital assets are recorded in the GWFS but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the Clerk, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the estimated useful lives of each class of depreciable assets and is computed on the straight-line method. The range of estimated useful lives for furniture, fixtures, and equipment is 5-10 years.

-continued

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. FUND EQUITY

Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) 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 provision, or by enabling legislation.

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

Assigned Fund Balance - amounts the Clerk intends to use for a specific purpose. Intent is expressed by the Clerk.

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

The Clerk establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. 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 for special incentives). Assigned fund balance is established by the Clerk 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).

I. LONG-TERM DEBT

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The Clerk has two long-term debts at June 30, 2022. These are the OPEB payable and net pension liability.

J. 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. These amounts are reported as deferred outflows of resources and/or deferred inflows of resources in the government-wide financial statements.

-continued

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 2 – CASH AND CASH EQUIVALENT

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

At June 30, 2022, the Clerk has cash and cash equivalents (book balances) totaling \$526,600, of which \$388,126 is attributable to fiduciary funds, and is not presented in the Statement of Net Position.

Demand deposits	\$ 447,871
LAMP	<u>78,729</u>
Total	<u>\$ 526,600</u>

These deposits are stated at cost, which approximates market. Under state law these deposits, or the resulting bank balances, must be fully secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent bank. The 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. Cash and cash equivalents (bank balances) not in LAMP at June 30, 2022, are secured by federal deposit insurance in the amount of \$449,359 and by pledged securities in the amount of \$ -0-.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. In accordance with LSA -R.S.33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP'S investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S.33:2955 (A) (1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP'S investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 2 – CASH AND CASH EQUIVALENT – continued

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 3 – COMPENSATED ABSENCES

After one year of service, all employees of the Clerk of Court's office earn from 5 to 10 days of vacation leave each year, depending on length of service. Vacation leave cannot be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the Clerk.

NOTE 4 – RISK MANAGEMENT

The Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorist, and collision, workers compensation and surety bond coverage for all employees. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. In addition to the above policies, the Clerk also maintains an errors and omissions claim policy with the Louisiana Clerks of Court Risk Management Agency. No claim has been filed on the policy during the past three years, nor is the Clerk aware of any unfiled claims.

NOTE 5 – RECEIVABLES

The Clerk's receivables at June 30, 2022, are as follows:

Class of receivable

	Governmental Funds	Government- Wide
Fees, charges, and commissions for services:		
Court costs, fees, and charges	\$ 6,531	\$ 6,531
Non-support fees	4,118	4,118
Advance Deposit Fund	16,942	16,942
Total	27,591	27,591
Less allowance for doubtful account	(1,717)	(1,717)
Net	\$ 25,874	\$ 25,874

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 6 - CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended June 30, 2022:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Office furniture and equipment	\$ 125,159	\$ -	\$ -	\$ 125,159
Total capital assets	<u>125,159</u>	<u>-</u>	<u>-</u>	<u>125,159</u>
Less:				
Accumulated depreciation	<u>(124,925)</u>	<u>(234)</u>	<u>-</u>	<u>(125,159)</u>
Total capital assets, net	<u>\$ 234</u>	<u>\$ (234)</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - PENSION PLAN

Substantially all employees of the Madison Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund, a multiple-employer, public employee retirement system controlled and administered by a separate board of trustees.

All regular employees earning at least \$100 per month who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Members are required to contribute 8.25% of their annual covered salary and the Madison Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 21.00% of annual covered payroll. The Madison Parish Clerk of Court contributed the entire 29.25%. The Madison Parish Clerk of Court's contribution for the year ending June 30, 2022, was \$77,793, equal to the required contributions of the year.

The Louisiana Clerks of Court Association issues a publicly available Actuarial Valuation and required supplementary information. That information may be obtained by writing to Louisiana Clerks of Court Association, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 7 - PENSION PLAN- continued

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

At June 30, 2022, the Clerk reported a liability of \$350,527 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks, actuarially determined. At June 30, 2021, the Clerk's proportion was .263507 percent, which was a decrease of .003035% from its proportion as of June 30, 2020.

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

For the year ended June 30, 2022, the Clerk recognized pension expense of \$97,116. At June 30, 2022, the Clerk 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	\$ 9,772	\$ 5,881
Changes of assumptions	75,674	-
Net difference between projected and actual earnings on pension plan investments	-	155,043
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	31,021	10,831
Clerk contributions subsequent to the measurement date	71,433	-
Total	\$ 187,900	\$ 171,755

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 7 - PENSION PLAN- continued

Deferred outflows of resources of \$77,793 related to pensions resulting from Clerk contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 June 30:	
2022	\$ 12,165
2023	1,326
2024	(22,420)
2025	(56,359)
Total	<u>\$ (65,288)</u>

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

The components of the net pension liability of the Fund's participating employers as of June 30, 2022, are as follows:

	<u>2021</u>
Total Pension Liability	\$ 911,412,187
Plan Fiduciary Net Position	(778,388,343)
Total Net Pension Liability	<u>\$ 133,023,844</u>

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 7 - PENSION PLAN- continued

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, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.55%, net of investment expense.
Projected salary increases	1-5 years of service - 6.2% 5 years or more 5%
Inflation rate	2.40%
Mortality Rates	Pub- 2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale for males and 3 years for females)
Expected Remaining Service Lives	2021 - 5 years 2020 - 5 years 2019 - 5 years 2018 - 5 years 2017 - 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 previous 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 2021 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, unless otherwise specified.

The mortality rate assumption used was verified by combing data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 7 - PENSION PLAN- continued

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 6.02%, for the year ended June 30, 2021.

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2021, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income:		
Domestic Bonds	25.0%	2.50%
International Bonds		3.50%
Domestic Equity	38.0%	7.50%
International Equity	22.0%	8.50%
Real Estate	15.0%	4.50%
	<u>100.0%</u>	

The discount rate used to measure the total pension liability was 6.55%. 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 these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.55%, 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 (5.55%) or one percentage point higher (7.55%) than the current rate at June 30, 2021.

	Changes in Discount Rate 2021		
	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
Net Pension Liability	<u>\$ 617,880</u>	<u>\$ 350,527</u>	<u>\$ 125,327</u>

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 8 – DEFERRED COMPENSATION PLAN

Certain employees of the Madison Parish Clerk of Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description. The Clerk’s defined benefits 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. The Clerk’s OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk. Benefits are provided through Louisiana Clerks of Court Insurance Trust (“LCCIT”), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute §13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

Benefits Provided. The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provided for payments of 100% of retiree and 100% of dependent pre-Medicare health, Medicare Advantage, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

Employees covered by benefit terms. On January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	5
Total	6

Total OPEB Liability

The Clerk’s total OPEB liability of \$347,546 was measured as of June 30, 2022, and was determined by an actuarial valuation as of January 1, 2022.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS- continued

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022, 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:	3.69%
Health Care Cost Trend Rates	
Medical:	6.5% for 2022, 6.25% for 2023, decreasing 0.25% per year to an ultimate rate of 5.0% for 2028 and later years.
Medicare Advantage :	4.50% for 2022. 4.25% for 2023, decreasing 0.25% per year to an ultimate rate of 5.0% for 2028 and later years. Includes 2% per year for aging.
Dental:	3.0% annual trend.
Vision:	2.5% annual trend
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 0% for dependents.
Medicare Advantage:	0% for retirees and 0% for dependents.
Dental:	0% for retirees and 0% for dependents.
Vision:	0% for retirees and 0% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the June 30, 2022, 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-2021 for males or females, as appropriate.

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 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.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS- continued

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2021	\$ 640,524
Changes for the year:	
Service cost	14,805
Interest	12,537
Difference between expected and actual experience	(258,902)
Change in assumptions/inputs	(56,705)
Change in benefits terms	-
Benefit payments	(4,713)
Administrative expense	-
Net Changes	(292,978)
Balance at 6/30/2021	\$ 347,546

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	\$ 394,618	\$ 347,546	\$ 297,172

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 320,076	\$ 347,546	\$ 382,611

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

For the year ended June 30, 2022, the Clerk recognized an OPEB expense \$(18,560). At June 30, 2022, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS- continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 269,069
Changes of assumptions or other inputs	46,144	172,398
	<u>\$ 46,144</u>	<u>\$ 441,467</u>

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

Year Ended June 30:

2023	\$ (45,902)
2024	\$ (45,767)
2025	\$ (52,749)
2026	\$ (52,749)
2027	\$ (52,749)
Thereafter	\$ (145,405)

NOTE 10 – CHANGES IN AGENCY FUND BALANCE

A summary of changes in agency fund balances due to others follows:

	Agency Deposit	Registry of Court	Total
Balance at June 30, 2021	\$ 136,923	\$ 297,842	\$ 434,765
Additions	250,502	1,788	252,290
Deletions	(246,829)	(52,100)	(298,929)
Balance at June 30, 2022	<u>\$ 140,596</u>	<u>\$ 247,530</u>	<u>\$ 388,126</u>

NOTE 11 – FIDUCIARY FUND TYPE – AGENCY FUNDS

Advance Deposit Fund

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

Registry of Court Fund

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

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 – continued**

NOTE 12 – EXPENDITURES OF THE CLERK OF COURT PAID BY THE POLICE JURY

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

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 7, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Revisions	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
License and permits - marriage	\$ 1,750	\$ (285)	\$ 1,465	\$ 1,465	\$ -
Intergovernmental revenues:					
Clerk's supplemental compensation	24,600	-	24,600	24,600	-
Fees, charges, and commissions for services:					
Court costs, fees, and charges	216,000	(8,622)	207,378	244,213	36,835
Fees for recording legal documents	200,000	(10,577)	189,423	190,560	1,137
Fees for certified copies of documents	30,000	27,781	57,781	57,842	61
Use of money and property - interest earnings	200	(10)	190	297	107
Election	3,500	(1,413)	2,087	2,088	1
Other	-	34,881	34,881	36,415	1,534
Total revenues	<u>476,050</u>	<u>41,755</u>	<u>517,805</u>	<u>557,480</u>	<u>39,675</u>
EXPENDITURES					
Current:					
General governmental - judicial					
Personal services and related benefits	423,599	2,707	426,306	459,570	(33,264)
Operating services	44,951	29,419	74,370	72,069	2,301
Materials and supplies	4,700	1,733	6,433	6,598	(165)
Travel and other charges	2,500	-	2,500	7,474	(4,974)
Total expenditures	<u>475,750</u>	<u>33,859</u>	<u>509,609</u>	<u>545,711</u>	<u>(36,102)</u>
EXCESS OF REVENUES OVER EXPENDITURES	300	7,896	8,196	11,769	75,777
FUND BALANCE, beginning of year	<u>109,562</u>	<u>109,562</u>	<u>109,562</u>	<u>109,562</u>	<u>109,562</u>
FUND BALANCE, end of year	<u>\$ 109,862</u>	<u>\$ 117,458</u>	<u>\$ 117,758</u>	<u>\$ 121,331</u>	<u>\$ 185,339</u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF CHANGES IN THE CLERK'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022**

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 16,341	\$ 16,856	\$ 19,456	\$ 23,110	\$ 14,805
Interest	25,378	22,566	24,617	15,006	12,537
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experiences	(809)	(33,412)	(26,896)	(8,812)	(258,902)
Changes in assumptions or other inputs	-	75,304	(182,045)	27,055	(56,705)
Benefits payments	(21,366)	(21,667)	(15,088)	(10,460)	(4,713)
Net Change in Total OPEB Liability	<u>19,544</u>	<u>59,647</u>	<u>(179,956)</u>	<u>45,899</u>	<u>(292,978)</u>
Total OPEB Liability - beginning	<u>695,390</u>	<u>714,934</u>	<u>774,581</u>	<u>594,625</u>	<u>640,524</u>
Total OPEB Liability- end	<u>\$714,934</u>	<u>\$774,581</u>	<u>\$594,625</u>	<u>\$640,524</u>	<u>\$347,546</u>
Covered Employee Payroll	\$233,816	\$241,415	TBD	TBD	TBD
Total OPEB Liability as a percentage of covered employee payroll	305.8%	320.9%	TBD	TBD	TBD

Note to Schedule:

Changes of Benefit Terms:

None

Changes of Assumptions:

The following are the discount rates used in each period:

2018	3.62%
2019	3.13%
2020	2.45%
2021	1.92%
2022	3.69%

Mortality Rates

2018	RPH - 2014 Employee and Healthy Annuitant, Generational with MP-2018.
2019	PubG.H-2010 Employee and Healthy Annuitant, Generational with MP-2018.
2020	PubG.H-2010 Employee and Healthy Annuitant, Generational with MP-2019.
2021	PubG.H-2010 Employee and Healthy Annuitant, Generational with MP-2020.
2022	PubG.H-2010 Employee and Healthy Annuitant, Generational with MP-2021.

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2022**

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	0.254638%	\$ 343,471	\$ 230,558	148.97%	79.34%
June 30, 2015	0.252390%	\$ 378,593	\$ 247,087	153.23%	78.13%
June 30, 2016	0.250460%	\$ 463,345	\$ 228,601	202.69%	74.17%
June 30, 2017	0.237769%	\$ 359,729	\$ 220,115	163.42%	79.19%
June 30, 2018	0.237073%	\$ 394,324	\$ 266,220	148.12%	79.07%
June 30, 2019	0.273796%	\$ 497,211	\$ 264,288	188.13%	77.93%
June 30, 2020	0.266542%	\$ 641,264	\$ 265,960	241.11%	72.09%
June 30, 2021	0.263507%	\$ 350,527	\$ 266,993	131.29%	85.40%

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

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTION
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2022**

Actuarial Valuation Date	Contractually Required Contribution	Contribution in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$ 61,920	\$ 61,920	-	\$ 230,558	26.85%
June 30, 2015	\$ 62,221	\$ 62,221	-	\$ 247,087	25.18%
June 30, 2016	\$ 62,294	\$ 62,294	-	\$ 228,601	27.25%
June 30, 2017	\$ 58,453	\$ 58,453	-	\$ 214,506	27.25%
June 30, 2018	\$ 72,318	\$ 72,318	-	\$ 266,220	27.16%
June 30, 2019	\$ 71,950	\$ 71,950	-	\$ 264,288	27.22%
June 30, 2020	\$ 77,793	\$ 77,793	-	\$ 265,960	29.25%
June 30, 2021	\$ 81,433	\$ 81,433	-	\$ 266,993	30.50%

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

See Independent Auditor's Report.

OTHER INFORMATION

**MADISON PARISH CLERK OF COURT
TALLAH, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and equivalents	\$ 140,596	\$ 247,530	\$388,126
Due from General Fund	<u>14,123</u>	<u>-</u>	<u>14,123</u>
TOTAL ASSETS	<u><u>\$ 154,719</u></u>	<u><u>\$ 247,530</u></u>	<u><u>\$402,249</u></u>
LIABILITIES			
Accounts Payable	\$ 21,953	\$ -	\$ 21,953
Due to General Fund	16,942	-	16,942
Unsettled deposits	<u>115,824</u>	<u>247,530</u>	<u>363,354</u>
TOTAL LIABILITIES	<u><u>\$ 154,719</u></u>	<u><u>\$ 247,530</u></u>	<u><u>\$402,249</u></u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	Advance Deposit Fund	Registry Of Court Fund	Total
Balances, beginning of year	<u>\$ 136,923</u>	<u>\$297,842</u>	<u>\$ 434,765</u>
Additions:			
Deposits:			
Suits and successions	250,250	1,444	251,694
Interest earnings	<u>252</u>	<u>344</u>	<u>596</u>
Total additions	<u>250,502</u>	<u>1,788</u>	<u>252,290</u>
Total	<u>387,425</u>	<u>299,630</u>	<u>687,055</u>
Reductions:			
Payments by order of the court	-	52,100	52,100
Clerk's costs	138,243	-	138,243
Settlements to litigants	16,301	-	16,301
Sheriff's fees	26,844	-	26,844
Other reductions	<u>65,441</u>	<u>-</u>	<u>65,441</u>
Total reductions	<u>246,829</u>	<u>52,100</u>	<u>298,929</u>
Balances, end of year	<u>\$ 140,596</u>	<u>\$247,530</u>	<u>\$ 388,126</u>

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2022**

Marion Hopkins, Clerk

Salary and expense amount	\$ 140,179
Benefits - insurance	14,330
Benefits - retirement	43,075
Benefits - deferred compensation	5,850
Reimbursements - travel/conference	<u>1,473</u>
 Total	 <u>\$ 204,907</u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING / DISBURSING ENTITY
FOR THE YEAR ENDED JUNE 30, 2022**

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
Beginning Balance of Amounts Collected	\$ 166,612	\$ 142,063
Add: Collections		
Civil Fees	128,222	122,028
Interest Income	43	43
Subtotal Collections	<u>294,877</u>	<u>264,134</u>
Less: Disbursements to Governments & Nonprofits		
Battered Womens Shelter Fund	150	180
Clerk of Court	56,597	67,101
Court of Appeals	327	327
Court Reporters	5,490	2,722
Curators	1,072	835
Judges Supplemental Comp Fund	2,819	3,072
Judicial College Fund	66	42
Judicial Expense Fund	1,712	1,872
Secretary of State	750	550
Settlements/Refunds to Litigants	60,823	23,918
Supreme Court LA	65	85
Caddo Parish Sheriff, Civil Fees	140	140
Caldwell Parish Sheriff, Civil Fees	-	44
Concordia Parish Sheriff, Civil Fees	35	91
DeSoto Parish Sheriff, Civil Fees	54	-
East Baton Rouge Parish Sheriff, Civil Fees	1,543	1,629
East Carroll Parish Sheriff, Civil Fees	-	83
Franklin Parish Sheriff, Civil Fees	31	243
Grant Parish Sheriff, Civil Fees	-	26
Iberville Parish Sheriff, Civil Fees	67	-
Jefferson Parish Sheriff, Civil Fees	30	90
Lafayette Parish Sheriff, Civil Fees	-	97
Lincoln Parish Sheriff, Civil Fees	68	-
Livingston Parish Sheriff, Civil Fees	-	43

continued

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING / DISBURSING ENTITY
FOR THE YEAR ENDED JUNE 30, 2022**

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
	<u> </u>	<u> </u>
Less: Disbursements to Governments and Nonprofits - continued		
Madison Parish Sheriff, Civil Fees	5,696	12,645
Morehouse Parish Sheriff, Civil Fees	37	120
Ouachita Parish Sheriff, Civil Fees	603	811
Orleans Parish Sheriff, Civil Fees	180	-
Rapides Parish Sheriff, Civil Fees	139	-
Richland Parish Sheriff, Civil Fees	198	284
St. Tammany Parish Sheriff, Civil Fees	122	38
Vermilion Parish Sheriff, Civil Fees	52	-
Washington Parish Sheriff, Civil Fees	47	-
West Baton Rouge Parish Sheriff, Civil Fees	-	76
West Carroll Parish Sheriff, Civil Fees	42	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amt	13,551	5,745
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	308	629
Subtotal Disbursement/Retainage	<u>152,814</u>	<u>123,538</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 142,063</u>	<u>\$ 140,596</u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
JUSTICE SYSTEM FUNDING
RECEIVING ENTITY
FOR THE YEAR ENDED JUNE 30, 2022**

Cash Presentation Basis	First Six Month Period Ended <u>12/30/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Madison Parish Sheriff - Criminal Court Costs/Fees	\$ 24,594	\$ 49,901
Madison Parish Sheriff - Bond Fees	<u>-</u>	<u>-</u>
Subtotal Receipts	<u>\$ 24,594</u>	<u>\$ 49,901</u>
 Ending Balance of Amounts Assessed but Not Received	 <u>-</u>	 <u>-</u>

See Independent Auditor's Report.

**COMPLIANCE REPORTING AND OTHER SCHEDULES REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

THE HALFORD FIRM, PLLC

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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*

To Mrs. Marion Hopkins
The Madison Parish Clerk of Court and
the Louisiana Legislative Auditor,

We have audited the financial statements of the Madison Parish Clerk of Court as of and for the year ended June 30, 2022 and have issued our report thereon dated December 7, 2022. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Madison Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did not identify any deficiencies in internal control that we consider to be significant deficiency.

Madison Parish Clerk of Court
Tallulah, Louisiana
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standard* and is identified as 22-01 in the Schedule of Findings and Questioned Costs.

This report is intended solely for the information and use of the Madison Parish Clerk of Court, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 7, 2022

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Madison Parish Clerk of Court.
2. One instance of noncompliance material to the financial statements was disclosed during the audit of the financial statements.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

FINDINGS - FINANCIAL STATEMENTS AUDIT

22-01 – Local Budget Act

Condition: Although the Clerk amended the budget during the year ended June 30, 2022, the General fund actual expenditures and other uses exceeded budgeted expenditures and other uses by \$36,102, or 7%.

Criteria: According to LRS 39:1310, the Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures.

Cause: The Clerk underbudget expenditures.

Effect: Noncompliance with the Louisiana Local Government Budget Act.

Recommendation: The Clerk should monitor the budget closely and amend the budget as necessary in order to comply with the Local Government Budget Act.

Management's Response: The Clerk concurs with the finding and will monitor and amend the budget as necessary in the future.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

The following is a summary of the status of the prior year findings included in the auditor's report dated March 30, 2022, covering the examination of the financial statements of the Madison Parish Clerk of Court as of and for the year ended June 30, 2021.

21-01 Local Budget Act

Finding:

The Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures. Although the Clerk amended the budget, the Madison Parish Clerk of Court still had actual expenditures which exceeds budgeted expenditures greater than five percent. The agency is in violation of Louisiana Revised Statute LSA-RS 39:1309-1310.

Status:

This finding was not resolved by June 30, 2022 and is a repeat finding of the current year.

**STATEWIDE
AGREED-UPON PROCEDURES**

THE HALFORD FIRM, PLLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Madison Parish Clerk of Court
and the Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the Madison Parish Clerk of Court and the Louisiana Legislative Auditor (LLA), solely to assist the users in evaluating management's assertions about the Clerk of Court's compliance with certain laws and regulations during the fiscal year ended June 30, 2022, included in the Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures (SAUPs). The Clerk's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations).
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written Policies and Procedures - continued

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-11121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirements that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

In examining written procedures, we noted that the Clerk did not have written policies for contracting, credit cards, debit service, or disaster recovery / business continuity. The Clerk does not use credit cards or have any debt. The Clerk has appropriate written policies and procedures for all other areas.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary fund.

Board or Finance Committee - continued

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The above procedures are not applicable because the Clerk of Court does not have a Board or Finance Committee.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged.)
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

During testing, we were able to determine that the Clerk had prepared each bank reconciliation and that the reconciliations were prepared within two months of the statement date. There was no evidence that the Clerk researched items outstanding more than a year. The Clerk does handle cash, post ledger, and issue checks.

Collections

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The Clerk only has one collections location, which is the Clerk's office in the Madison Parish Courthouse, 100 North Cedar St., Tallulah, LA.

Collections - continued

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Some employees do share the same drawer.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

All bank deposits are prepared by the Clerk except for the Advance Deposit Fund, which is prepared by the deputy who collects the cash.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The Clerk is responsible for posting collections to the general ledger, but the employee who collects deposit for the Advance Deposit Fund is responsible for posting collections to the subsidiary ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

In the Advance Deposit Fund, the employee responsible for cash collections is also responsible for reconciling the subsidiary ledger.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The Clerk does not have a bond or an insurance policy to cover theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

Collections - continued

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, systems report, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100)
- e) Trace the actual deposit per the bank statement to the general ledger.

The Clerk's receipts are sequentially pre-numbered. We performed the above listed procedures and did not find any exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee jobs duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Clerk is responsible for all purchases. She approves all purchases and makes all payments to vendors.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)-continued

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The disbursement matched the original invoice on all 5 disbursements, but the Clerk handles all aspects of purchases and disbursements, so there is no separation of duties.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The Clerk does not have any credit cards.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from managements a listing of all travel and travel-related expense reimbursements during fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov)
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The Clerk provided a listing of travel related expense and representation that it is complete. Each reimbursement was supported by receipts that identified the nature of the expenditure or mileage log. None of the expenditures exceeded GSA rates.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, lease, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

None of the contracts required bids.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

N/A- The clerk does not have a governing body/board.
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

None of the contracts were amended.

Contracts-continued

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

The payments reviewed were consistent with the contract term.

Payroll and Personnel

- 16. Obtain a listing employees/elected official employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

The Clerk provided a list of all employees.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected officials are earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

All selected employees documented their daily attendance.

- b) Observe that supervisors approved the attendance and leave of the selected employee/officials.

The Clerk prepares all payroll checks and approves the attendance and leave for all payroll periods. No exception noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

The leave time earned as well as leave time taken was documented on all payments reviewed.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials authorized pay rates in the employee/officials' personnel files.

There were not any terminations in the year under review.

Payroll and Personnel-continued

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

The Clerk represented to us that all payroll tax returns and employee benefit reports were filed and paid timely.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

All employees had taken an ethics course in the year under review.

Debit Service

21. Obtain a listing of bond/notes issued during the fiscal period and management's representation that the listing is complete. Select all bond/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bond/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

The Clerk did not have any debt issued or outstanding.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriations were identified.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice was posted on the premises.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to an attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 7, 2022