

IBERIA PARISH CLERK OF COURT

New Iberia, Louisiana

Financial Report

Year Ended June 30, 2021

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

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

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

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

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

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable David Ditch
Iberia Parish Clerk of Court
New Iberia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court (Clerk), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Clerk, as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 13 to the financial statements, in 2021, the Clerk adopted new accounting guidance, GASB 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The justice system funding schedules and the schedule of compensation, reimbursements, benefits, and other payments to the agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the justice system schedules and the schedule of compensation, reimbursements, benefits, and other payments to the agency head are fairly stated in all material respects to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
November 22, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Statement of Net Position
June 30, 2021

| | Governmental Activities |
|---------------------------------------|----------------------------|
| ASSETS | |
| Cash and interest-bearing deposits | \$ 1,691,600 |
| Investments | 104,940 |
| Accounts receivable, net | 67,263 |
| Accrued interest | 3,481 |
| Capital assets, net | 19,617 |
| Total assets | 1,886,901 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| OPEB related | 413,406 |
| Pension related | 1,295,934 |
| Total deferred outflows of resources | 1,709,340 |
| LIABILITIES | |
| Accounts and other payables | 9,570 |
| Net OPEB obligation payable | 3,713,770 |
| Net pension liability | 3,218,383 |
| Total liabilities | 6,941,723 |
| DEFERRED INFLOWS OF RESOURCES | |
| OPEB related | 1,890,517 |
| Pension related | 138,874 |
| Total deferred inflows of resources | 2,029,391 |
| NET POSITION | |
| Net investment in capital assets | 19,617 |
| Unrestricted (deficit) | (5,394,490) |
| Total net position | \$ (5,374,873) |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Statement of Activities
For the Year Ended June 30, 2021

| Activities | Expenses | Program Revenues Fees, Fines, and Charges for Services | Net (Expense) Revenues and Changes in Net Position Governmental Activities |
|--------------------------|-----------------------------------|--|---|
| Governmental activities: | | | |
| General government | <u>\$ 2,808,713</u> | <u>\$ 2,712,255</u> | <u>(96,458)</u> |
| | | | |
| | General revenues: | | |
| | Interest income | | 14,591 |
| | Non employer pension contribution | | 154,822 |
| | Miscellaneous | | <u>177,698</u> |
| | Total general revenues | | <u>347,111</u> |
| | Change in net position | | 250,653 |
| | Net position - beginning | | <u>(5,625,526)</u> |
| | Net position - Ending | | <u>\$(5,374,873)</u> |

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

FUND FINANCIAL STATEMENTS

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Balance Sheet - Governmental Fund
June 30, 2021

ASSETS

| | |
|------------------------------------|---------------------|
| Cash and interest-bearing deposits | \$ 1,691,600 |
| Investments | 104,940 |
| Accounts receivable, net | 67,263 |
| Accrued interest | <u>3,481</u> |
| Total assets | <u>\$ 1,867,284</u> |

LIABILITIES AND FUND BALANCE

| | |
|-------------------------------------|---------------------|
| Liabilities: | |
| Accounts and other payables | \$ 9,570 |
| Fund balance: | |
| Unassigned | <u>1,857,714</u> |
| Total liabilities and fund balances | <u>\$ 1,867,284</u> |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2021

| | | |
|---|------------------|-----------------------|
| Fund balance for governmental fund | | \$ 1,857,714 |
| Capital assets, net | | 19,617 |
| Pension: | | |
| Net pension liability/asset | \$ (3,218,383) | |
| Deferred inflows of resources | (138,874) | |
| Deferred outflows of resources | <u>1,295,934</u> | (2,061,323) |
| OPEB: | | |
| Net OPEB liability/asset | (3,713,770) | |
| Deferred inflows of resources | (1,890,517) | |
| Deferred outflows of resources | <u>413,406</u> | <u>(5,190,881)</u> |
| Net position of governmental activities | | <u>\$ (5,374,873)</u> |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2021

| | |
|------------------------------------|---------------------|
| Revenues: | |
| Licenses and permits | \$ 11,468 |
| Fees, charges and commissions | 265,698 |
| Fees for recording legal documents | 2,374,872 |
| Fees for certified copies | 60,217 |
| Miscellaneous | <u>192,289</u> |
| Total revenues | <u>2,904,544</u> |
| Expenditures: | |
| Current - | |
| General government | 2,685,242 |
| Capital outlay | <u>2,100</u> |
| Total expenditures | <u>2,687,342</u> |
| Net change in fund balance | 217,202 |
| Fund balance, beginning | <u>1,640,512</u> |
| Fund balance, ending | <u>\$ 1,857,714</u> |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2021

| | | | |
|---|--|----------------|-------------------|
| Net change in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance | | | \$ 217,202 |
| Capital assets: | | | |
| Depreciation expense | | | (9,319) |
| Long-term liabilities: | | | |
| Principal payments on capital lease | | | 3,828 |
| The effect of recording net pension and OPEB liability/asset and the related deferred outflows/inflows of resources: | | | |
| Change in pension expense | | \$ (323,024) | |
| Nonemployer pension contribution revenue recognized | | 154,822 | |
| Change in OPEB expense | | <u>207,144</u> | <u>38,942</u> |
| Changes in net position per Statement of Activities | | | <u>\$ 250,653</u> |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

ASSETS

| | |
|-----------------------------|------------------|
| Cash | \$ 2,765,919 |
| Investments | 100,922 |
| Accrued interest receivable | 4,533 |
| Other receivables | <u>15,708</u> |
| Total assets | <u>2,887,082</u> |

NET POSITION

| | |
|--|---------------------|
| Fiduciary net position - held for others | <u>\$ 2,887,082</u> |
|--|---------------------|

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

| | |
|--------------------------------------|--------------------|
| Additions: | |
| Suits and successions | 806,939 |
| Judgements | 479,973 |
| Interest | <u>1,926</u> |
| Total additions | <u>1,288,838</u> |
| Deductions | |
| Refunds to litigants | 496,913 |
| Other | 476,987 |
| Sheriff fees | <u>216,649</u> |
| Total reductions | <u>1,190,549</u> |
| Net change in fiduciary net position | 98,289 |
| Net position - beginning | <u>2,788,793</u> |
| Net position - ending | <u>\$2,887,082</u> |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk as an independently elected parish official. There are no component units required to be reported in conformity with generally accepted accounting principles. As an independently elected official, the Clerk is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary net position and the statement of changes in fiduciary net position 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's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Fund Financial Statements (FFS)

The accounts of the Clerk 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 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 is described below:

Governmental Fund -

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk 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 reports the following fund type:

Fiduciary Funds -

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

Advance Deposit Funds – 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.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. 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.

The fiduciary funds utilize 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.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Clerk's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Clerk's general revenues.

Allocation of indirect expenses

The Clerk reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and interest-bearing deposits

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

Investment

Investments are limited by Louisiana Revised Statute (R.S.) 33:2995. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or fewer, they are classified as cash equivalents.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities consist of fees for recordings and mortgage certificates.

Prepaid Items

Payments made to vendors for services that will benefit future periods are recorded as prepaid items.

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives for furniture, fixtures, equipment and software is five to ten years.

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Employees of the Clerk earn up to four weeks of vacation leave depending on length of service. Employees receive five days of sick leave and two days of personal leave. Vacation, sick, and personal leave must be used in the year earned.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the Clerk does not have a proprietary fund, all long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues,

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

respectively. The Clerk's deferred inflows and outflows of resources are attributable to its pension and OPEB plans.

Equity Classifications

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

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

E. Use of Estimates

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

F. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financials, contributions are recognized as expenditures when due.

G. Postemployment Benefits Other than Pensions (OPEB)

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements, contributions are recognized as expenditures when due.

(2) Cash and Interest-Bearing Deposits

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

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. The Clerk does not have a policy for custodial credit risk; however, under state law these deposits (or the

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Basic Financial Statements

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

| | |
|--|---------------------|
| Bank balances | <u>\$ 4,647,262</u> |
| Insured deposits | \$ 4,500,000 |
| Uninsured and collateral held by the pledging bank, not in the Clerk's name | <u>147,262</u> |
| Total | <u>\$ 4,647,262</u> |

(3) Investments

All of the Clerk's investments are held by Louisiana Asset Management Pool (LAMP). 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 LA – R.S. 33:2955.

Accounting standards require disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with accounting standards. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

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Notes to the Basic Financial Statements

- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset 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.

(4) Capital Assets

Capital asset balances and activity is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|-------------------|-------------|-------------------|
| Furniture, fixtures, equipment and software | \$ 1,004,285 | \$ - | \$ - | \$ 1,004,285 |
| Less accumulated depreciation | 975,349 | 9,319 | - | 984,668 |
| Net capital assets | <u>\$ 28,936</u> | <u>\$ (9,319)</u> | <u>\$ -</u> | <u>\$ 19,617</u> |

Depreciation expense of \$9,319 was charged to the general government function.

(5) Changes in Long-Term Debt

The following is a summary of long-term debt for the year ended:

| | Beginning Balance | Additions | Deletions | Ending Balance | Amount due in one year |
|-----------------|----------------------|-------------|-----------------|-------------------|---------------------------|
| Long-term debt: | | | | | |
| Capital leases | <u>\$ 3,828</u> | <u>\$ -</u> | <u>\$ 3,828</u> | <u>\$ -</u> | <u>\$ -</u> |

(6) Pension Plan

The employer pension schedules for the Louisiana Clerks' of Court Retirement and Relief Fund are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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Notes to the Basic Financial Statements

Plan Description

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing, multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies and other employees. The Fund issues a publicly available financial report that may be assessed at www.laclerksofcourt.org.

Retirement Benefits

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

Disability Benefits

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

Survivor Benefits

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

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Notes to the Basic Financial Statements

12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan

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

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

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

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Notes to the Basic Financial Statements

Cost of Living Adjustments

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. The actual employer contribution rate was 19.00% and the member's required contribution was 8.25%. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Contributions from non-employer contributing entities were \$154,822. Contributions to the pension plan from the Clerk of Court were \$252,283.

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

The Clerk reported a liability of \$3,218,383 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 employers, actuarially determined. The Clerk's proportion was 1.338%, which was a decrease of 0.009% from its proportion measured as of the prior period.

The Clerk recognized pension expense of \$594,223 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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Notes to the Basic Financial Statements

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 |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 40,212 | \$ 39,810 |
| Change of assumptions | 285,443 | - |
| Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 9,302 | 99,064 |
| Net differences between projected and actual earnings on plan investments | 689,781 | - |
| Contributions subsequent to the measurement date | 271,196 | - |
| Total | \$ 1,295,934 | \$ 138,874 |

Deferred outflows of resources of \$271,196 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | | | |
|---------------------|--|--|------------|
| 2022 | | | \$ 197,711 |
| 2023 | | | 266,317 |
| 2024 | | | 241,309 |
| 2025 | | | 180,527 |
| | | | \$ 885,864 |

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.

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Notes to the Basic Financial Statements

A summary of the actuarial methods and assumptions used in determining the total pension liability is as follows:

| | |
|-----------------------------------|---|
| Valuation Date | June 30 ,2020 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Investment rate of return | 6.75%, net of investment expense |
| Projected salary increases | 1-5 years of service - 6.2% 5 years or more - 5% |
| Inflation rate | 2.50% |
| Mortality rates | Pub- 2010 Public Retirement Plans multiplied by 120% Mortality Table with full generational projection using the appropriate MP-2019 improvement scale |
| Expected Remaining Service Lives: | 5 years |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed to be substantively automatic. |

The actuarial assumptions used are based on the assumptions used in the prior period 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. 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.

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

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Notes to the Basic Financial Statements

long-term expected rate of return was 6.18%. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation is summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|----------------------|------------------------------|---|
| Fixed Income: | | |
| Domestic Bonds | 20.00% | 2.50% |
| International Bonds | | 3.50% |
| Domestic Equity | 33.00% | 7.50% |
| International Equity | 22.00% | 8.50% |
| Real Estate | 15.00% | 4.50% |
| Hedge Funds | <u>10.00%</u> | 6.59% |
| Totals | <u>100.00%</u> | |

The discount rate used to measure the total pension liability was 6.75%, which was no change from the discount rate used as of the prior period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

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

| | 1% Decrease <u>5.75%</u> | Current Discount Rate <u>6.75%</u> | 1% Increase <u>7.75%</u> |
|--|--------------------------------|---|--------------------------------|
| Employer's proportionate share of net pension liability | <u>\$ 4,491,208</u> | <u>\$ 2,446,784</u> | <u>\$ 2,145,552</u> |

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Notes to the Basic Financial Statements

(7) Deferred Compensation Plan

The Clerk has an IRC 457 defined compensation plan. The plan covers all full-time employees. The Clerk matches employee contributions up to 6 percent of compensation. The Clerk's contribution for the year was \$35,551.

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

Plan Description

The Clerk's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The Clerk's OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk. Benefits are provided through the Louisiana Clerks of Court Insurance Trust ("LCCIT"), a multiple-employer healthcare plan administered by the Louisiana Clerks of Court Association. Louisiana Revised Statute §13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the LCCIT board of trustees, with the Clerk 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 provide for payment of 100% of retiree and 50% of dependent pre-Medicare health, Medicare Supplement, and dental insurance premiums. Vision is voluntary and paid 100% by the retiree. The plan also provides for payment of 100% of retiree life insurance premiums.

Employees covered by benefit terms

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

| | |
|---|-----------|
| Inactive employees currently receiving benefits | 17 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | <u>29</u> |
| Total | <u>46</u> |

Total OPEB Liability

The Clerk's total OPEB liability of \$3,713,770 was measured as of June 30, 2021 and was determined by an actuarial valuation as of January 1, 2020.

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Notes to the Basic Financial Statements

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2021 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: | 1.92% |
| Health Care Cost Trend Rates | |
| Medical: | 4.95% for 2021, 6.25% for 2022, decreasing 0.25% per year to an ultimate rate of 5.0% for 2027 and later years. |
| Medicare Advantage: | 0% for 2021, 4.75% for 2022, decreasing 0.25% per year to an ultimate rate of 3.0% for 2029 and later years. Including 2% per year for aging. |
| Dental: | 3.0% annual trend |
| Vision: | 3.0% annual trend |
| Retirees' Share of Benefit- Related | |
| Costs: | |
| Medical: | 0% for retirees and 50% for dependents |
| Medicare Advantage: | 0% for retirees and 50% for dependents |
| Dental: | 0% for retirees and 50% for dependents |
| Vision: | 100% for retirees and 100% for dependents |
| Basic life insurance: | 0% |

The discount rate was based on the 6/30/2021 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-2020 for males or females, as appropriate.

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2020 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.

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Notes to the Basic Financial Statements

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| Balance at 6/30/20 | \$ 3,540,724 |
| Changes for the year: | |
| Service Cost | 94,850 |
| Interest | 87,717 |
| Differences between expected and actual experience | (29,591) |
| Changes in assumption/inputs | 130,656 |
| Change in benefit terms | - |
| Benefit payments | (110,586) |
| Administrative Expense | - |
| Net Changes | <u>173,046</u> |
| Balance at 6/30/21 | <u>\$ 3,713,770</u> |

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 (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

| | 1 % Decrease (0.92%) | Discount Rate (1.92%) | 1% Increase (2.92%) |
|----------------------|-------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ <u>4,251,765</u> | \$ <u>3,713,770</u> | \$ <u>3,201,417</u> |

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

The following presents the total OPEB liability of the Clerk, 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 | \$ <u>3,347,221</u> | \$ <u>3,713,700</u> | \$ <u>4,169,380</u> |

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Notes to the Basic Financial Statements

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

For the year ended June 30, 2021, the Clerk recognized an OPEB expense of \$(73,849). At June 30, 2021, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ - | \$ 979,327 |
| Change of assumptions or other inputs | 413,406 | 911,190 |
| Total | \$ 413,406 | \$ 1,890,517 |

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

| Year Ended June 30, | |
|---------------------|----------------|
| 2022 | \$ (279,125) |
| 2023 | (279,125) |
| 2024 | (279,125) |
| 2025 | (327,087) |
| 2026 | (327,087) |
| Thereafter | 14,438 |
| | \$ (1,477,111) |

(9) Risk Management

The Clerk is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(10) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk's office is located in the Iberia Parish Courthouse. The Iberia Parish Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements.

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Notes to the Basic Financial Statements

(11) Excess Fund Balance

R.S. 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. The potential liability to the parish is limited to amounts received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books. The Clerk was not obligated to reimburse the parish treasurer during the year.

(12) Litigation

The Clerk was not involved in any lawsuits expected to result in a judgment for damages that would have a material adverse effect on the Clerk's financial position.

(13) New Accounting Pronouncements

As of July 1, 2020, the Clerk adopted GASB Statement No. 84, Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension and other employee benefit trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds).

With the adoption of GASB Statement No. 84, a statement of fiduciary net position and a statement of changes in fiduciary net position have been presented as part of the basic financial statements. These statements consist of the Clerk's custodial funds (formerly agency funds).

The changes have the following effect on the accounts listed below at June 30, 2020:

| <u>Accounts Affected</u> | <u>As Originally Presented</u> | <u>After Adoption of GASB 84</u> |
|--------------------------------|--|--|
| Due to litigants and others | \$ 1,735,078 | |
| Unsettled deposits | \$ 1,053,715 | |
| Net position - held for others | \$ - | \$ 2,788,793 |

**REQUIRED
SUPPLEMENTARY INFORMATION**

IBERIA PARISH CLERK OF COURT
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Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

| | Budget | | Actual | Variance |
|------------------------------------|---------------------|---------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Revenues: | | | | |
| Licenses and permits | \$ 8,200 | \$ 11,100 | \$ 11,468 | \$ 368 |
| Fees, charges and commissions | 257,000 | 260,600 | 265,698 | 5,098 |
| Fees for recording legal documents | 2,312,000 | 2,323,100 | 2,374,872 | 51,772 |
| Fees for certified copies | 65,000 | 60,200 | 60,217 | 17 |
| Miscellaneous | <u>227,500</u> | <u>204,600</u> | <u>192,289</u> | <u>(12,311)</u> |
| Total revenues | <u>2,869,700</u> | <u>2,859,600</u> | <u>2,904,544</u> | <u>44,944</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government: | 2,848,200 | 2,795,800 | 2,685,242 | 110,558 |
| Capital Outlay | <u>-</u> | <u>2,600</u> | <u>2,100</u> | <u>500</u> |
| Total expenditures | <u>2,848,200</u> | <u>2,798,400</u> | <u>2,687,342</u> | <u>111,058</u> |
| Net change in fund balance | 21,500 | 61,200 | 217,202 | 156,002 |
| Fund balance, beginning | <u>1,640,512</u> | <u>1,640,512</u> | <u>1,640,512</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 1,662,012</u> | <u>\$ 1,701,712</u> | <u>\$ 1,857,714</u> | <u>\$ 156,002</u> |

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Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability* | | | | |
| Service cost | \$ 97,206 | \$ 99,489 | \$ 37,788 | \$ 94,850 |
| Interest | 192,492 | 170,345 | 181,926 | 87,717 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (14,494) | (302,636) | (1,115,008) | (29,591) |
| Changes of assumptions | - | 602,831 | (1,275,666) | 130,656 |
| Benefit payments | <u>(154,373)</u> | <u>(150,898)</u> | <u>(125,712)</u> | <u>(110,586)</u> |
| Net change in total OPEB liability | 120,831 | 419,131 | (2,296,672) | 173,046 |
| Total OPEB liability - beginning | <u>5,297,434</u> | <u>5,418,265</u> | <u>5,837,396</u> | <u>3,540,724</u> |
| Total OPEB liability - end | <u>5,418,265</u> | <u>5,837,396</u> | <u>3,540,724</u> | <u>3,713,770</u> |
| Covered employee payroll | <u>\$ 1,280,012</u> | <u>\$ 1,388,241</u> | <u>\$ 1,387,442</u> | <u>\$ 1,361,658</u> |
| Total OPEB liability as a percentage of covered employee payroll | 423% | 420% | 255% | 273% |

* Equal to net OPEB liability

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Employers' Share of Net Pension Liability -
Clerks' of Court Retirement and Relief Fund
For the Year Ended June 30, 2021

| * Year ended June 30, | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------------------------|---|--|----------------------------------|---|--|
| 2021 | 1.338% | \$3,218,383 | \$ 1,324,512 | 243.0% | 72.09% |
| 2020 | 1.347% | \$2,446,784 | \$ 1,311,687 | 186.5% | 77.93% |
| 2019 | 1.370% | \$2,278,284 | \$ 1,334,237 | 170.8% | 79.07% |
| 2018 | 1.479% | \$2,237,589 | \$ 1,271,766 | 175.9% | 79.69% |
| 2017 | 1.447% | \$2,677,162 | \$ 1,320,860 | 202.7% | 74.17% |
| 2016 | 1.444% | \$2,164,959 | \$ 1,264,406 | 171.2% | 78.13% |
| 2015 | 1.423% | \$1,920,084 | \$ 1,264,407 | 151.9% | 79.37% |

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

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Employer Contributions -
Clerks' of Court Retirement and Relief Fund
For the Year Ended June 30, 2021

| Year ended June 30, | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a % of Covered Payroll |
|------------------------|---|--|--|----------------------------------|--|
| 2021 | \$ 271,196 | \$ 271,196 | \$ - | \$ 1,293,396 | 20.97% |
| 2020 | \$ 250,311 | \$ 250,311 | \$ - | \$ 1,324,512 | 18.90% |
| 2019 | \$ 249,221 | \$ 249,221 | \$ - | \$ 1,311,687 | 19.00% |
| 2018 | \$ 253,504 | \$ 253,504 | \$ - | \$ 1,334,237 | 19.00% |
| 2017 | \$ 241,636 | \$ 241,636 | \$ - | \$ 1,271,766 | 19.00% |
| 2016 | \$ 250,964 | \$ 250,964 | \$ - | \$ 1,320,860 | 19.00% |
| 2015 | \$ 240,237 | \$ 240,237 | \$ - | \$ 1,264,406 | 19.00% |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

(1) Budget and Budgetary Accounting

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

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

(2) Pension Plan

Changes of Benefit Terms –

There were no changes of benefit terms

Changes of Assumption –

| * Year ended June 30, | Discount Rate | Investment Rate of Return | Inflation Rate | Expected Remaining Lives | Projected Salary Increase |
|-----------------------------|------------------|---------------------------------|-------------------|--------------------------------|---------------------------------|
| 2015 | 7.25% | 7.25% | 2.750% | 5 | 5.75% |
| 2016 | 7.00% | 7.00% | 2.500% | 5 | 5.00% |
| 2017 | 7.00% | 7.00% | 2.500% | 5 | 5.00% |
| 2018 | 7.00% | 7.00% | 2.500% | 5 | 5.00% |
| 2019 | 6.75% | 6.75% | 2.500% | 5 | 5.00% |
| 2020 | 6.75% | 6.75% | 2.500% | 5 | 5.00% |
| 2021 | 6.75% | 6.75% | 2.500% | 5 | 5.00% - 6.20% |

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

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

(3) OPEB Plan

Changes of Benefit Terms –

There were no changes of benefit terms

Changes of Assumption –

| <u>Year ended June 30,</u> | <u>Discount Rate</u> | <u>Mortality Rates</u> |
|--------------------------------|--------------------------|--|
| 2018 | 3.62% | RPH-2014 Employee and Healthy Annuity, Generational with MP-2018 |
| 2019 | 3.13% | PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2018 |
| 2020 | 2.45% | PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2019 |
| 2021 | 1.92% | PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2020 |

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

**OTHER
SUPPLEMENTARY INFORMATION**

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021

| | <u>Six Month Period Ended 12/31/2020</u> | <u>Six Month Period Ended 6/30/2021</u> |
|--|--|---|
| Cash Basis Presentation | | |
| Beginning Balance of Amounts Collected | \$ 500,170 | \$ 777,713 |
| Add: Collections | | |
| Civil Fees (including refundable amounts such as garnishments or advance deposits) | 873,782 | 986,662 |
| Interest Earnings on Collected Balances | 408 | 239 |
| Other (do not include collections that fit into more specific categories above) | <u>335,770</u> | <u>146,548</u> |
| Subtotal Collections | <u>1,209,960</u> | <u>1,133,449</u> |
| Less: Disbursements to Governments & Nonprofits | | |
| <i>Amount Paid Sheriff - Local</i> | 63,153 | 80,281 |
| <i>Amount Paid Sheriff - Other</i> | 34,066 | 39,149 |
| <i>Secretary of State</i> | 7,000 | 7,150 |
| <i>LCRAA</i> | 1,789 | 1,483 |
| <i>Judicial Expense Fund</i> | 23,963 | 27,600 |
| <i>Judges Supplemental Compensation</i> | 17,724 | 20,565 |
| <i>Commissioner of Insurance</i> | - | 75 |
| <i>Law Library</i> | 2 | 14 |
| <i>Iberia Parish Council</i> | 13,541 | 14,517 |
| Less: Amounts Retained by Collecting Agency | | |
| <i>Iberia Parish Clerk of Court - Civil Fees</i> | 516,881 | 538,340 |
| Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies | | |
| Refunds to Litigants | 227,762 | 269,151 |
| Curator Fees | 11,464 | 8,086 |
| Legal Fees | 1,947 | 2,455 |
| Jury Fees | 2,459 | 3,880 |
| Miscellaneous Fees | 1,281 | 698 |
| Other Disbursements to Individuals (additional detail is not required) | <u>9,385</u> | <u>300,610</u> |
| Subtotal Disbursements/Retainage | <u>932,417</u> | <u>1,314,054</u> |
| Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand) | <u>777,713</u> | <u>597,108</u> |

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Compensation, Benefits and Other
Payments to Agency Head
For the Year Ended June 30, 2021

A detail of compensation, benefits, and other payments to David Ditch, Clerk of Court is as follows:

| <u>Purpose</u> | |
|----------------------------------|-------------------|
| Salary | \$ 164,398 |
| Benefits - Insurance | 12,629 |
| Benefits - Retirement | 34,020 |
| Benefits - Deferred Compensation | <u>4,063</u> |
| | <u>\$ 215,110</u> |

**INTERNAL CONTROL, COMPLIANCE,
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

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

The Honorable David Ditch
Iberia Parish Clerk of Court
New Iberia, Louisiana

We have audited, 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, the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court (Clerk) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated November 22, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
November 22, 2021

IBERIA PARISH CLERK OF COURT
New Iberia, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2021

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

A. Internal Control Over Financial Reporting

None to report.

B. Compliance

None to report.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.