
**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

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INDEPENDENT AUDITORS' REPORT

DeSoto Parish Clerk of Court
Mansfield, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the DeSoto 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.

Auditors' Responsibility

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

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

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

Opinions

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



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of Changes in Other Post-Employment Benefits Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Employer Contributions on pages 3 through 6, 32, 33, 34, and 35, respectively, 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.

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 Schedule of Compensation, Benefits and Other Payments to the Clerk of Court and the Judicial System Funding Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to the Clerk of Court and the Judicial System Funding Schedules 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 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.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Baton Rouge, Louisiana
December 30, 2021

REQUIRED SUPPLEMENTAL INFORMATION – PART I

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The Management's Discussion and Analysis of the DeSoto Parish Clerk of Court's financial performance presents a narrative overview and analysis of the DeSoto Parish Clerk of Court's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the DeSoto Parish Clerk of Court's financial statements, which begin on page 7.

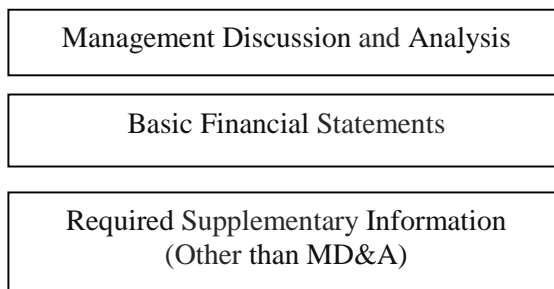
FINANCIAL HIGHLIGHTS

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 of Court as a whole and present a longer-term view of the Clerk of Court's finances. The governmental fund financial statements tell how the Clerk's services were financed in the short-term as well as what remains for future spending.

- The Clerk's net position decreased by approximately \$330,000 in the current year compared to a decrease in net position of approximately \$345,000 in the prior year.
- The General fund reported a deficiency of revenues over expenditures of approximately \$129,000, reducing fund balance to \$5,562,921. The deficiency is lower in comparison to the deficiency of \$191,725 provided for in the prior year. The deficiency is a result of increases in personnel services and benefits and operating costs exceeding the increase in revenues as the Clerk continues to recover from the negative economic impacts of the COVID-19 pandemic.
- Total expenditures in the general fund increased by approximately \$187,000. This is attributed to increases in operating costs as well as personnel services and benefits. The increase in operating costs are primarily related to the office remodel and records storage expenses. The increase in personnel services and benefits is attributed to a full year of personnel services and benefits expense for the one full-time employee hired in fiscal year 2020 as well as annual salary increases. Revenues increased during the current year by approximately \$249,000. Revenue streams including recording fees, court costs, fees and charges and miscellaneous income all experienced increases as a result of the continued recovery from the negative economic impacts of the COVID-19 pandemic.
- As described in Note 1 to the financial statements, GASB Statement 84, Fiduciary Activities were implemented in the current year. This GASB statement defines what activity should be reported in a fiduciary fund. As a result of this implementation, the Advance Deposit Fund activity was reclassified to a special revenue fund. The result was an increase in current assets and liabilities of \$577,000 in governmental activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following illustrates the minimum requirements for the DeSoto Parish Clerk of Court as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*.



**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 7 and 8) provide information about the activities of the DeSoto Parish Clerk of Court as a whole and present a longer-term view of the Clerk's finances. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the Clerk's net position and changes in them. One can think of the Clerk's net position, the difference between assets and deferred outflows and liabilities and deferred inflows, as one way to measure the Clerk's financial health, or financial position. Over time, increases or decreases in the Clerk's net position is an indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 9. All of the Clerk's basic services, except in which the Clerk acts as a custodian and are accounted for in a fiduciary fund, are reported in a governmental fund type, which focuses on how money flows into and out of the fund and the balances left at year end that are available for spending. This fund type is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund type statement provides a detailed short term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's activities as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position		
As of Year End		
	<u>2021</u>	<u>2020</u>
Current assets	\$ 6,246,715	\$ 5,826,451
Noncurrent assets:		
Capital assets, net	<u>41,792</u>	<u>35,557</u>
Total assets	<u>6,288,507</u>	<u>5,862,008</u>
Deferred outflows of resources	<u>1,156,645</u>	<u>740,160</u>
Current liabilities	689,941	143,806
Noncurrent liabilities:		
Other post-employment benefits liability	650,278	590,694
Net pension liability	<u>2,093,685</u>	<u>1,530,961</u>
Total liabilities	<u>3,433,904</u>	<u>2,265,461</u>
Deferred inflows of resources	<u>239,749</u>	<u>235,414</u>
Net investment in capital assets	41,792	35,557
Unrestricted net position	<u>3,729,707</u>	<u>4,065,736</u>
Total net position	<u>\$ 3,771,499</u>	<u>\$ 4,101,293</u>

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Net position of the DeSoto Parish Clerk of Court decreased by \$329,794, or 8%, from the previous fiscal year (2020). The decrease in net position is the result of the increase in personnel services and benefits and operating expenses exceeding the increase in revenues during the fiscal year ended June 30, 2021.

The condensed statement of activities below compares operating results for 2021 and 2020.

Statement of Activities
For the Year Ended

	2021	2020
General revenue	\$ 252,018	\$ 201,522
Charges for service	1,972,013	1,756,296
Operating grants	24,600	24,600
Total revenue	2,248,631	1,982,418
General government expenses	(2,578,425)	(2,328,281)
Change in net position	\$ (329,794)	\$ (345,863)

The DeSoto Parish Clerk of Court's total revenues increased by approximately \$266,000, or 13.43%, from the previous year. The increase is primarily due to the Clerk's continued recovery from the negative economic impacts of the COVID-19 pandemic, whereby the Clerk provided reduced services to customers as well as operated on reduced hours for several months in the latter part of the prior year. The total costs of all programs and services increased by approximately \$250,000, or 10.74% primarily due to increases in personnel services and benefits and operating costs.

Capital Assets

At June 30, 2021, the DeSoto Parish Clerk of Court had \$41,792, net of depreciation, invested in capital assets (see table below). This amount represents a net increase of \$6,235, including depreciation.

Capital Assets at Year End
(Net of Depreciation)

	2021	2020
Furniture, fixtures and equipment	\$ 41,792	\$ 35,557
Total	\$ 41,792	\$ 35,557

The increase is due to capital outlay of \$20,105 offset by depreciation of \$13,870 in the current year.

Long-Term Liabilities

The DeSoto Parish Clerk of Court's long-term debt consists of its other post-employment benefits liability and net pension liability. The other post-employment benefits liability increased by \$56,367, or 9.39%. The increase is due to the change in actuary assumptions, specifically the discount rate. The net pension liability increased by \$562,724, or 36.76%. The increase is due to an overall increase in pension liability at the system level. See table detailing long-term liabilities below.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Long-Term Liabilities (continued)

Long-Term Liabilities at Year End

	2021	2020
Other post-employment benefits liability	\$ 656,425	\$ 600,058
Net pension liability	2,093,685	1,530,961
Total	\$ 2,750,110	\$ 2,131,019

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues and transfers in were \$221,332 more than budgeted amounts due to court costs, fees and charges, recording fees and miscellaneous income being more than expected.

Actual expenditures were \$36,020 more than budgeted amounts primarily due to expenditures associated with operations and capital outlay being more than expected.

The budget was amended in anticipation of charges for services being less than expected and personnel services and benefits expenditures being more than expected. The budget was amended through a \$101,200 increase in revenue due to an anticipated increase in court costs, fees and charges, and recording fees. Expenditures were increased \$187,000 due to anticipated increases in personnel services and benefits, operating costs and capital outlay.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The DeSoto Parish Clerk of Court's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Fees
2. Interest income
3. Miscellaneous revenues
4. Personnel costs
5. Other costs

The DeSoto Parish Clerk of Court is continuing to expand its services to Clerks of Court in surrounding parishes and is optimistic this will result in a positive impact on its net position.

CONTACTING THE DESOTO PARISH CLERK OF COURT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the DeSoto Parish Clerk of Court's finances and to demonstrate the Clerk of Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the DeSoto Parish Clerk of Court, Attention: Jeremy M. Evans, Clerk of Court, at Post Office Box 1206, Mansfield, Louisiana 71052.

BASIC FINANCIAL STATEMENTS

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 1,241,069
Investments	4,867,349
Accounts receivable (net of allowance of \$29,958)	131,078
Prepays	7,219
Total current assets	<u>6,246,715</u>
Noncurrent Assets:	
Capital assets, net of depreciation	41,792
Total assets	<u>6,288,507</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflow amounts related to other post-employment benefit obligation	202,019
Deferred outflow amounts related to pension liability	954,626
Total deferred outflows of resources	<u>1,156,645</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	21,893
Accrued expenses	47,735
Unearned revenue	614,166
Current portion of other post-employment benefits liability	6,147
Total current liabilities	<u>689,941</u>
Noncurrent Liabilities:	
Other post-employment benefits liability, net of current portion	650,278
Net pension liability	2,093,685
Total liabilities	<u>3,433,904</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow amounts related to other post-employment benefits	210,884
Deferred inflow amounts related to pension liability	28,865
Total deferred inflows on resources	<u>239,749</u>
<u>NET POSITION</u>	
Net investment in capital assets	41,792
Unrestricted	3,729,707
Total net position	<u>\$ 3,771,499</u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Expenses	Charges for Services	Operating Grants and Contributions	Net Expense and Changes in Net Position
<u>Functions/Programs</u>				
Governmental activities				
General government	\$ 2,578,425	\$ 1,972,013	\$ 24,600	\$ (581,812)
Total governmental activities	\$ 2,578,425	\$ 1,972,013	\$ 24,600	(581,812)
General revenues:				
Miscellaneous				132,456
Grants and contributions, not restricted				100,718
Interest				18,844
Total general revenues				252,018
Change in net position				(329,794)
Net position, beginning of year				4,101,293
Net position, end of year				\$ 3,771,499

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2021

	<u>General</u>	<u>Advance Deposit</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 823,399	\$ 417,670	\$ 1,241,069
Investments	4,707,736	159,613	4,867,349
Accounts receivable (net of allowance of \$29,958)	131,078	-	131,078
Prepays	7,219	-	7,219
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 5,669,432</u>	<u>\$ 577,283</u>	<u>\$ 6,246,715</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 21,893	\$ -	\$ 21,893
Accrued expenses	47,735	-	47,735
Unearned revenue	36,883	577,283	614,166
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>106,511</u>	<u>577,283</u>	<u>683,794</u>
<u>FUND BALANCE</u>			
Nonspendable - prepaids	7,219	-	7,219
Unassigned	5,555,702	-	5,555,702
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>5,562,921</u>	<u>-</u>	<u>5,562,921</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 5,669,432</u>	<u>\$ 577,283</u>	<u>\$ 6,246,715</u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balance - Governmental Fund		\$ 5,562,921
Amounts reported in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds. This is the amount of capital assets, net of accumulated depreciation (\$129,940), in the current period.		41,792
Other post-employment benefits (OPEB) liability and deferrals recorded in accordance with GASB 75		
Deferred outflow of resources - related to OPEB	202,019	
Other post-employment benefits obligation	(656,425)	
Deferred inflow of resources - related to OPEB	<u>(210,884)</u>	
		(665,290)
Net pension liability and deferrals recorded in accordance with GASB 68		
Deferred outflow of resources - related to net pension liability	954,626	
Net pension liability	(2,093,685)	
Deferred inflow of resources - related to net pension liability	<u>(28,865)</u>	
		<u>(1,167,924)</u>
Total net position - Governmental Activities		<u><u>\$ 3,771,499</u></u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	General	Advance Deposit	Total Governmental Funds
<u>REVENUES</u>			
Licenses & permits			
Marriage licenses	\$ 3,768	\$ -	\$ 3,768
Charges for services			
Court costs, fees and charges	624,635	440,169	1,064,804
Recording fees	883,625	-	883,625
Copy fees	19,816	-	19,816
Intergovernmental			
Supplemental compensation fund	24,600	-	24,600
Miscellaneous			
Interest	18,844	-	18,844
Other	132,456	-	132,456
Total revenues	1,707,744	440,169	2,147,913
<u>EXPENDITURES</u>			
Current			
Personnel services and benefits	1,577,997	-	1,577,997
Operating	669,918	8,981	678,899
Capital outlay	20,105	-	20,105
Total expenditures	2,268,020	8,981	2,277,001
Excess of revenues (under) over expenditures	(560,276)	431,188	(129,088)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	431,188	-	431,188
Operating transfers out	-	(431,188)	(431,188)
Total other financing sources (uses)	431,188	(431,188)	-
Net change in Fund Balance	(129,088)	-	(129,088)
Fund balance - beginning of year	5,692,009	-	5,692,009
Fund balance - end of year	\$ 5,562,921	\$ -	\$ 5,562,921

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balance - governmental fund \$ (129,088)

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$20,105) exceeds depreciation (\$13,870) in the current period. 6,235

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. These expenditures consist of:

Change in other post-employment benefits liability and deferred inflows and outflows in accordance with GASB 75. (29,721)

Change in net pension liability and deferred inflows and outflows in accordance with GASB 68. (177,220)

Change in net position - governmental activities \$ (329,794)

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	<u>Custodial Funds</u>
	<u>Registry of the Court Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 5,633,981
Total assets	<u>\$ 5,633,981</u>
<u>NET POSITION</u>	
Restricted for:	
Individuals, organizations and other governments	<u>\$ 5,633,981</u>
Total net position	<u>\$ 5,633,981</u>

The accompanying notes are an integral part of this financial statement.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
	<u>Registry of the Court Fund</u>
<u>ADDITIONS</u>	
Suits and successions	\$ 1,329,700
Interest income	<u>5,650</u>
Total additions	<u>1,335,350</u>
<u>DEDUCTIONS</u>	
Settlements to litigants	52,057
Total deductions	<u>52,057</u>
Net increase (decrease) in fiduciary net position	1,283,293
Net position - beginning of year	<u>4,350,688</u>
Net position - end of year	<u>\$ 5,633,981</u>

The accompanying notes are an integral part of this financial statement.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Reporting Entity

For financial reporting purposes, the Clerk's basic financial statements include all funds that are controlled by the Clerk as an independently elected Parish Official. As an independently elected official, the Clerk is solely responsible for the operations of his office. Fiscally independent means that the Clerk may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Clerk also has no component units as other legally separate organizations for which the Clerk is financially accountable. There are no other primary governments with which the Clerk has a significant relationship. Accordingly, the Clerk is a primary government for reporting purposes. The criteria for including organizations as component units within the Clerk's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate.

Fund Accounting

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for most of the Clerk's governmental activities. These funds focus on the sources, uses, and balances of current financial resources. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk. The following is the clerk's governmental fund:

General Fund

The General fund is the primary operating fund of the Clerk and it's considered to be the Clerk's only major fund. It is used to account for all financial resources except those required to be accounted for in other funds. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Clerk's policy.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Accounting (continued)

Governmental Funds (continued)

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Advance Deposit Fund – provided for under Louisiana Revised Statute 13:842, is used to account for advance deposits in suits filed by litigants. See current year adoption of new accounting standards within this footnote.

Fiduciary Funds

Fiduciary fund reporting focuses on resources held for other parties. The only funds accounted for in this category by the Clerk are custodial funds. The custodial funds are used to account for assets held by the Clerk as an agent for litigants pending court action. Liabilities are recognized when an event occurs that compels the Clerk to disburse fiduciary resources. The custodial funds use the full accrual basis of accounting. The following custodial funds are utilized by the Clerk:

The Registry of Court Fund – provided for under Louisiana Revised Statute 13:475, is used to account for funds held by order of the court until judgment is rendered by the judiciary.

Basis of Accounting / Measurement Focus

Government-wide financial statements (GWFS)

The statement of net position and the statement of activities display information about the primary government (the Clerk). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange transactions. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The GWFS and fiduciary fund statements are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Clerk gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Basis of Accounting / Measurement Focus (continued)

Fund Financial Statements (FFS)

The fund financial statements provide information about the Clerk's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. The General Fund is the Clerk's only major governmental fund.

The amounts reflected in the General Fund are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in net fund balances reports on the sources (i.e., revenues and other financing resources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Clerk's operations.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Clerk considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Copies, fees, recording, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Clerk prepares and submits for public inspection a budget each year prior to June 15, for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase/decrease therein for the current year, using the modified accrual basis of accounting. The Clerk amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. The budget was amended during this year. All budget appropriations lapse at year end.

Cash and Cash Equivalents

Cash includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the Clerk may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Investments

Investments are limited by Louisiana R.S. 33:2955 and the Clerk's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Receivables

All receivables are reported at their gross value. The Clerk expects to collect all balances due but has recorded an allowance for bad debts of \$29,958.

Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Clerk is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 15 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized. The Clerk maintains a threshold level of \$1,000 or more for capitalizing assets.

Compensated Absences

Employees of the Clerk earn annual and sick leave at various rates depending on the number of years of service. Leave does not carry over or accumulate from one year to the next, and there are no vesting privileges. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

Pension Plans

The Clerk is a participating employer in the Louisiana Clerks' of Court Retirement and Relief Fund (Fund) as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Fund and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plan.

Unearned Revenue

Unearned revenues are liabilities resulting from the collection of advance deposits or other dedicated funds before the eligibility requirements have been met, or expended on its intended purpose.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and as such, will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 5 for additional information on deferred outflows of resources related to other post-employment benefits and Note 6 for additional information on deferred outflows of resources related to defined benefit pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenues) until that time. See Note 5 for additional information on deferred inflows of resources related to other post-employment benefits and Note 6 for additional information on deferred inflows of resources related to defined benefit pension plans.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Net Position

For the government-wide statement of net position, net position amount is classified and displayed in three components:

- 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.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Clerk.

For the fiduciary statement of net position, net position is restricted due to the nature of the funds (custodial). Restricted net position is classified and displayed in the following four components based on the type of fiduciary activity: (1) restricted net position for pensions, (2) restricted net position for post-employment benefits other than pensions, (3) restricted net position for pool participants, and (4) restricted net positions for individuals, organizations, and other governments.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Balance of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

- Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted – represents balances where constraints have been established by parties outside the Clerk’s office or imposed by law through constitutional provisions or enabling legislation.
- Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk’s highest level of decision-making authority.
- Assigned – represents balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed or assigned to be specific purposes within the general fund.

When expenditures are incurred for the purposes of which both restricted and unrestricted amounts are available, the Clerk’s office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for the purposes of which committed, assigned and unassigned amounts are available, the Clerk’s office reduces committed amounts first followed by assigned amounts and then unassigned amounts.

Current Year Adoption of Net Accounting Standard

In January 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement 84, *Fiduciary Activities*. The standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria generally is on (1) whether the Clerk controls the assets of a fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The Clerk has adopted GASB 84 and included the requirements of the standard, as applicable, in its June 30, 2021 financial statements. Refer to Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position in the basic financial statements. In addition, the Clerk adopted paragraphs 4 and 5 of GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The paragraphs adopted are amendments to GASB 84 and reverses the criteria in GASB 84 to include certain defined contribution retirement plans without a board in the financial statements of state and local governments. Beginning net position was increased by \$4,350,688 as a result of applying the new standard’s criterial for accruing liabilities within a custodial fund. In addition, the Advance Deposit Fund was reclassified as a special revenue fund.

Current Accounting Standards Scheduled to be Implemented

GASB Statement 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Clerk will include the requirements of this standard, as applicable, in its June 30, 2022 financial statement. All of the Clerk’s lease agreements will need to be evaluated to determine the impact of implementing this standard. The effect of this standard or its applicability to the Clerk are unknown at this time.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Deposits

At June 30, 2021, the Clerk had cash (book balance) totaling \$9,597,479. Deposits including cash and cash equivalents and investments on the balance sheet at June 30, 2021, are as follows:

	<u>General Fund</u>	Advance <u>Deposit Fund</u>	<u>Custodial Funds</u>
Cash and cash equivalents			
Cash on hand (petty cash)	\$ 2,975	\$ -	\$ -
Time and savings deposits	307,912	-	-
Demand deposits	<u>512,512</u>	<u>417,670</u>	<u>5,633,981</u>
	823,399	417,670	5,633,981
Investments			
External investment pool	2,144,920	-	-
Certificates of deposit	<u>2,562,816</u>	<u>159,613</u>	<u>-</u>
	4,707,736	159,613	-
 Total deposits	 <u>\$ 5,531,135</u>	 <u>\$ 577,283</u>	 <u>\$ 5,633,981</u>

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the Clerk's deposits may not be returned to them. The Clerk does not have a deposit policy for custodial credit risk; however, state law is designed to limit this risk. State law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2021, the Clerk's bank balance of demand deposit accounts was \$6,723,231. Of this balance, approximately \$92,000 was not fully collateralized or FDIC insured and therefore, was exposed to custodial credit risk. As of June 30, 2021, time and savings deposits (money market accounts and certificates of deposit) of \$3,030,562 are held with local banks and with an investment management company. Time and savings bank deposits are covered by FDIC insurance and time and savings deposits held with the investment management company are covered by Security Investor Protection Corporation (SIPC) insurance of \$500,000. All time and savings deposits were either FDIC insured, SIPC insured or fully collateralized at June 30, 2021. Holdings with investment companies are not required to be collateralized.

Investments

The Clerk maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Clerk may invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities and other governmental debt obligations with limited exceptions as noted in Louisiana R.S. 33:2955. Investments in time certificates of deposit can be placed with state banks, national banks or federal credit unions as permitted in state statute.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (continued)

Investments (continued)

As of June 30, 2021, the Clerk had its assets in money market instruments and certificates of deposit. The below schedule identifies the investments by type:

Type of Investment	Carrying Value	Remaining Maturity		Credit Rating (S&P's)
		Less than 1 year	1 – 5 years	
Investments measured at net asset value (NAV)				
External investment pool	\$ 2,144,920	\$ 2,144,920	\$ -	AAAm
Total investments measured at fair value	2,144,920	2,144,920	-	
Investments reports at cost				
Certificates of deposit	2,722,429	2,722,429	-	
Total investments	<u>\$ 4,867,349</u>	<u>\$ 4,867,349</u>	<u>\$ -</u>	

Interest Rate Risk – One of the indicators of interest rate risk is the duration of the investment; the shorter the duration, the lesser the risk. The table above shows the maturities of the Clerk’s investments. The Clerk’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Under Louisiana R.S. 33:2955, as amended, the Clerk may invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities and other governmental debt obligations with limited exceptions. The Clerk’s investment policy does not further limit its investment choices.

Concentration of Credit Risk – The Clerk’s investment policy does not limit the amount the Clerk may invest in any one issuer. The Clerk does not have any concentration of credit risk as of June 30, 2021.

Custodial credit risk-investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the Clerk will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Clerk does not have an investment policy for custodial credit risk; however, state law described in a preceding paragraph is designed to limit this risk.

The \$2,144,920 in the external investment pool is invested in 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 Louisiana R.S. 33.2955.

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MANSFIELD, LOUISIANA
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2. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (continued)

Investments (continued)

LAMP is a government investment pool. 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 requirements.
- 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 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. The WAM for LAMP's total investments is 53 days as of June 30, 2021.
- 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 board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street Suite 2220, New Orleans, LA 70130.

3. **ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2021, includes charges for services revenue of \$161,036 less an allowance for uncollectible accounts of \$29,958.

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MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

4. CAPITAL ASSETS

A summary of the DeSoto Parish Clerk of Court's capital assets as of June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets				
Furniture, fixtures & equipment	\$ 151,627	\$ 20,105	\$ -	\$ 171,732
Less accumulated depreciation	(116,070)	(13,870)	-	(129,940)
Total capital assets, net	<u>\$ 35,557</u>	<u>\$ 6,235</u>	<u>\$ -</u>	<u>\$ 41,792</u>

Depreciation expense of \$13,870 was charged to general government activities.

5. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description – The DeSoto Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The DeSoto Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 25 years of service; or, attainment of age 60 and 12 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

Retiree Premiums – Retire premiums provided from the Louisiana Clerks' of Courts Association were used to determine retiree cost projections. The "value of benefits" has been assumed to be the portion of the premium after the retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The active employees and pre-Medicare retirees are assigned the same rate, a blended rate. Thus, since GASB 74/75 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retired members before Medicare eligibility to be 130% of the blended rates. The unblended rates provided are those for Medicare eligible retirees.

Participation - Employees who receive active benefits are assumed to also receive retiree benefits. We also assume that the same percentage of employees with spouse coverage would also have spouse coverage as retirees.

Contribution rates - Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. Retirees contribute to the cost of the Medical and life plans offered. The plan provisions and contribution rates are contained in the official plan documents.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

5. **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (continued)

General Information about the OPEB Plan (continued)

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	19
	24
	24

Total OPEB Liability

The Clerk’s total OPEB liability of \$656,425 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial assumptions and other inputs – The following actuarial assumptions and other inputs were applied to all periods included in the measurement unless otherwise specified:

Inflation	2.00%
Salary increases	3.00%, including inflation
Prior discount rate	2.21%, annually
Discount rate	2.16%, annually
Healthcare cost trend rates	5.50%, annually until year 2030, then 4.50%
Mortality	SOA RP-2014 Combined Mortality Table

The discount rate was based on the value of the Bond Buyers’ 20-year General Obligation municipal bond index on the applicable measurement period.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

Changes in the Total OPEB Liability

Balance at June 30, 2020		\$ 600,058
Changes for the year:		
Service cost		25,497
Interest		13,543
Differences between expected and actual experience		17,561
Changes in assumptions		5,593
Benefit payments and net transfers		(5,827)
Net changes		56,367
Balance at June 30, 2021		\$ 656,425

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MANSFIELD, LOUISIANA
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5. **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (continued)

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1.0% Decrease (1.16%)	Current Discount Rate (2.16%)	1.0% Increase (3.16%)
Total OPEB liability	\$ 797,855	\$ 656,425	\$ 547,519

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Healthcare Cost Trend Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 571,440	\$ 656,425	\$ 768,587

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

For the year ended June 30, 2020, the Clerk recognized OPEB expense of \$35,548. 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
Differences between expected and actual experience	\$ 62,004	\$ (187,520)
Changes in assumptions	140,015	(23,364)
Total	\$ 202,019	\$ (210,884)

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

Years ending June 30:		
2022	\$	(3,492)
2023		(3,492)
2024		(3,492)
2025		(3,492)
2026		(3,492)
Thereafter		8,595
	\$	(8,865)

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

6. PENSION PLAN

Substantially all employees of the Desoto Parish Clerk of Court are members of the Louisiana Clerks' of Court Retirement and Relief Fund (Fund), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The Louisiana Clerks' of Court Retirement and Relief Fund (the Fund) was established and provided for by R.S. 111:1501 of the Louisiana Revised Statutes (LRS). In accordance with this law, the Fund is administered by a board of trustees made up of ten members composed of the president, first vice-president, treasurer, second vice-president, and immediate past president of the Clerks' Association, one retired clerk elected by the Clerks' Association, two additional members elected by the Clerks' Association, the chairman of the Retirement Committee of the Louisiana House of Representatives, and the chairman of the Finance Committee of the Senate, or their designees.

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. The report may be obtained by writing to the Louisiana Clerks' of Court Retirement and Relief Fund, 10202 Jefferson Highway, Bldg. A., Baton Rouge, Louisiana 70809, or by calling (225) 293-1162.

Funding Policy - The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:105, the employer 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. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk is required to contribute at an actuarially determined rate. The employer's and employee's rate for the year ended June 30, 2021 was 21.0 and 8.25 percent, respectively of annual covered payroll. The Clerk's contributions to the Plan, for the years ending June 30, 2021, 2020, and 2019, were \$191,126, \$165,968, and \$155,316, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the Clerk reported a liability of \$2,093,685 for its proportionate share of the net pension liability. The net pension liability was measured as of the measurement period, 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 the Clerk's share of contributions to the pension plan relative to the contributions of all participating employers, during the measurement period. At June 30, 2020, the Clerk's proportion was 0.8702%, which was an increase of 0.0272% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Clerk recognized pension expense of \$443,906 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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MANSFIELD, LOUISIANA
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JUNE 30, 2021**

6. **PENSION PLAN** (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued) – At June 30, 2021, 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	\$ 26,160	\$ -
Changes of assumptions	185,692	-
Net difference between projected and actual earnings on pension plan investments	448,730	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	101,310	(28,532)
Contributions in excess (deficiency) of required amount	1,608	-
Employer contributions subsequent to measurement date	191,126	(333)
Total	\$ 954,626	\$ (28,865)

The Clerk reported a total of \$191,126, as deferred outflow of resources, related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in 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 as an increase (decrease) in pension expense as follows:

Years ending June 30:		
2022	\$	191,143
2023		225,396
2024		190,194
2025		127,902
	\$	734,635

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

6. **PENSION PLAN** (continued)

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service	
Lives	5 years
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% per annum
Mortality	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using appropriate MP-2019 improvement scale.
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.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 and ending June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.18% as of June 30, 2020. 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, 2020, are summarized in the following table:

Asset class	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income:		
Domestic bonds	20.00%	2.50%
International bonds	33.00%	3.50%
Domestic equity	22.00%	7.50%
International equity	15.00%	8.50%
Real estate	10.00%	4.50%
Hedge funds	10.00%	6.59%
Total	<u>100.00%</u>	

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

6. PENSION PLAN (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement System’s Actuary Committee (PRSAC) taking into consideration the recommendation of the Fund’s actuary. Based on those assumptions, 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 of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the Clerk’s proportionate share of the net pension liability (NPL) using the discount rate of 6.75% as well as what the Clerk’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Fund:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
DeSoto Parish Clerk of Court share of NPL	\$ 2,921,707	\$ 2,093,685	\$ 1,395,766

7. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

In March, 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. The spread of the virus has adversely affected global business activities and has resulted in significant uncertainty in the global economy. The impact of the COVID-19 continues to evolve and has been marked by rapid changes and developments. The impact of the outbreak may be short-term or may last for an extended period of time. The extent to which the COVID-19 pandemic may directly or indirectly impact the Clerk’s financial condition or results of operations cannot be reasonably estimated at this time.

8. DEFINED CONTRIBUTION PLAN

The Clerk employees participate in the State of Louisiana Deferred Compensation Plan. The plan was established pursuant to IRC Section 457 and Louisiana R.S. 42:1301-1308. The Plan provides state, parish, and municipal employees with the opportunity to invest money in a before-tax basis, using payroll deduction. Participants defer federal or state income tax on their contributions. In addition, interest or earnings on the participant’s account accumulate tax-deferred.

The participants may choose the amount to contribute with the maximums defined by the Internal Revenue Code and the investment options(s). The Clerk agreed to match each participant’s contributions up to a maximum of 7% of the employee’s annual salary. During the year ended June 30, 2021 the Clerk's matching funds totaled \$45,577.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

9. FACILITIES

The Clerk's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the DeSoto Parish Police Jury and are not included in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE
GENERAL FUND - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses & permits				
Marriage licenses	\$ 2,800	\$ 3,000	\$ 3,768	\$ 768
Charges for services				
Court costs, fees and charges	990,000	1,010,000	624,635	(385,365)
Recording fees	700,000	790,000	883,625	93,625
Copy fees	20,000	20,000	19,816	(184)
Intergovernmental				
Supplemental compensation fund	24,600	24,600	24,600	-
Miscellaneous				
Interest	54,000	20,000	18,844	(1,156)
Other	25,000	50,000	132,456	82,456
Total Revenues	<u>1,816,400</u>	<u>1,917,600</u>	<u>1,707,744</u>	<u>(209,856)</u>
<u>EXPENDITURES</u>				
Current:				
Personnel services and benefits	1,450,000	1,620,000	1,577,997	42,003
Operating	585,000	600,000	669,918	(69,918)
Capital outlay	10,000	12,000	20,105	(8,105)
Total Expenditures	<u>2,045,000</u>	<u>2,232,000</u>	<u>2,268,020</u>	<u>(36,020)</u>
Excess of revenues (under) over expenditures	<u>(228,600)</u>	<u>(314,400)</u>	<u>(560,276)</u>	<u>(245,876)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	-	431,188	431,188
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>431,188</u>	<u>431,188</u>
Net change in Fund Balance	(228,600)	(314,400)	(129,088)	185,312
Beginning of year	<u>5,437,151</u>	<u>5,437,151</u>	<u>5,692,009</u>	<u>254,858</u>
End of year	<u>\$ 5,208,551</u>	<u>\$ 5,122,751</u>	<u>\$ 5,562,921</u>	<u>\$ 440,170</u>

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF CHANGES IN
OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021

Financial statement reporting date	Measurement date	Service cost	Interest	Differences between expected and actual experience	Changes of assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered-employee payroll	Total OPEB liability as a percentage of covered-employee payroll
6/30/2021	6/30/2021	\$ 25,497	\$13,543	\$ 17,561	\$ 5,593	\$ (5,827)	\$ 56,367	\$ 600,058	\$ 656,425	\$ 844,384	77.74%
6/30/2020	6/30/2020	\$ 36,359	\$23,576	\$(225,024)	\$ 118,611	\$ (8,876)	\$ (55,354)	\$ 655,412	\$ 600,058	\$ 819,790	73.20%
6/30/2019	6/30/2019	\$ 28,646	\$21,808	\$ 24,198	\$ 42,407	\$ (10,832)	\$ 106,227	\$ 549,185	\$ 655,412	\$ 829,731	78.99%
6/30/2018	6/30/2018	\$ 27,812	\$20,749	\$ (28,862)	\$ 31,299	\$ (10,139)	\$ 40,859	\$ 508,326	\$ 549,185	\$ 765,185	71.77%

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

There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.

Changes in assumptions -

Discount rate as of 6/30/2017 was 3.58%.

Discount rate as of 6/30/2018 was 3.87%.

Discount rate as of 6/30/2019 was 3.50%.

Discount rate as of 6/30/2020 was 2.21%.

Discount rate as of 6/30/2021 was 2.16%.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021 (*)

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's 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	0.8702%	\$ 2,093,685	\$ 862,891	242.64%	72.09%
2020	0.8430%	1,530,961	817,011	187.39%	77.93%
2019	0.7777%	1,293,617	723,951	178.69%	79.07%
2018	0.7824%	1,183,683	705,813	167.70%	79.69%
2017	0.7398%	1,368,716	675,345	202.67%	74.17%
2016	0.6739%	1,010,909	608,568	166.11%	78.13%
2015	0.6588%	888,664	647,865	137.17%	79.37%

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

(*) The amounts presented have a measurement date of June 30th of the previous year-end.

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS
LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021

Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³	Contributions as a % of Covered Payroll
2021	\$ 191,126	\$ 191,126	-	\$ 912,216	20.95%
2020	165,968	165,968	-	862,891	19.23%
2019	155,316	155,316	-	817,011	19.01%
2018	137,961	137,961	-	723,951	19.06%
2017	129,554	129,554	-	705,813	18.36%
2016	128,315	128,315	-	675,345	19.00%
2015	115,628	115,628	-	608,568	19.00%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the Clerks' of Court Retirement and Relief Fund*

³ *Employer's covered payroll amount for the fiscal year ended June 30*

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO OTHER POST-EMPLOYMENT BENEFIT PLAN

Changes in benefit terms -

There were no changes of benefit terms for the years presented.

Changes in assumptions -

The fluctuations in the changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of total other post-employment obligation.

Year end	Measurement Date	Rate	Change
6/30/2021	6/30/2021	2.160%	-0.050%
6/30/2020	6/30/2020	2.210%	-1.290%
6/30/2019	6/30/2019	3.500%	0.000%
6/30/2018	6/30/2018	3.500%	

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO LOUISIANA CLERKS' PENSION AND RELIEF FUND

Changes in benefit terms -

There were no changes of benefit terms for the years presented.

Changes in assumptions -

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:			Salary Increases:		
Year End (*)	Rate	Change	Year End (*)	Rate	Change
6/30/2021	6.750%	0.000%	6/30/2021	5.000% - 6.200%	0.000% - 1.200%
6/30/2020	6.750%	0.000%	6/30/2020	5.000%	0.000%
6/30/2019	6.750%	-0.250%	6/30/2019	5.000%	0.000%
6/30/2018	7.000%	0.000%	6/30/2018	5.000%	0.000%
6/30/2017	7.000%	0.000%	6/30/2017	5.000%	0.000%
6/30/2016	7.000%	-0.250%	6/30/2016	5.000%	-0.750%
6/30/2015	7.250%		6/30/2015	5.750%	

Inflation Rate:			Investment rate of return:		
Year End (*)	Rate	Change	Year End (*)	Rate	Change
6/30/2021	2.500%	0.000%	6/30/2021	6.180%	-0.200%
6/30/2020	2.500%	0.000%	6/30/2020	6.380%	-0.720%
6/30/2019	2.500%	0.000%	6/30/2019	7.100%	-0.500%
6/30/2018	2.500%	0.000%	6/30/2018	7.600%	0.400%
6/30/2017	2.500%	0.000%	6/30/2017	7.200%	-0.700%
6/30/2016	2.500%	-0.250%	6/30/2016	7.900%	0.000%
6/30/2015	2.750%		6/30/2015	7.900%	

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

OTHER SUPPLEMENTARY INFORMATION

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE CLERK OF COURT
FOR THE YEAR ENDED JUNE 30, 2021

Clerk of Court, Jeremy Evans

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 148,229
Vote custodian	2,100
Benefits - insurance	12,985
Benefits - retirement	39,832
Car allowance	<u>19,943</u>
	<u>\$ 223,089</u>

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 5,110,976	\$ 5,461,006
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	878,370	1,138,772
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	3,401	2,488
Other (<i>do not include collections that fit into more specific categories above</i>)	-	-
Subtotal Collections	881,771	1,141,260

(Continued)

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2021

	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
Commissioner of Insurance-Civil Fees	185	170
Court Reporter-Civil Fees	1,128	471
Secretary of State-Civil Fees	1,125	2,000
Court of Appeals-Civil Fees	454	2,034
Judges Compensation-Civil Fees	8,869	8,949
Desoto Parish Police Jury-Civil Fees	-	2,454
Judicial Expense Fund-Civil Fees	5,647	5,791
Battered Women's Shelter-Civil Fees	530	580
La Supreme Court College Fund-Civil Fees	187	189
Sheriff of Desoto Parish-Civil Fees	28,014	25,310
Lafayette City Marshal-Civil Fees	20	-
Sheriff of Orleans Parish-Civil Fees	180	250
Sheriff of Ascension Parish-Civil Fees	161	-
Sheriff of Avoyelles Parish-Civil Fees	-	52
Sheriff of Beauregard Parish-Civil Fees	-	93
Sheriff of Bossier Parish-Civil Fees	1,511	1,217
Sheriff of Caddo Parish-Civil Fees	9,372	8,540
Sheriff of Calcasieu Parish-Civil Fees	31	31
Sheriff of Claiborne Parish-Civil Fees	-	120
Sheriff of East Baton Rouge Parish-Civil Fees	3,594	4,032
Sheriff of Evangeline Parish-Civil Fees	247	-
Sheriff of Franklin Parish-Civil Fees	31	-
Sheriff of Jeff Davis Parish-Civil Fees	-	89
Sheriff of Jefferson Parish-Civil Fees	120	90
Sheriff of Lafayette Parish-Civil Fees	411	729
Sheriff of Lincoln Parish-Civil Fees	31	2
Sheriff of Natchitoches Parish-Civil Fees	87	504
Sheriff of Ouachita Parish-Civil Fees	66	79
Sheriff of Rapides Parish-Civil Fees	145	143
Sheriff of Red River Parish-Civil Fees	22	54
Sheriff of Richland Parish-Civil Fees	-	77
Sheriff of Sabine Parish-Civil Fees	933	572
Sheriff of St. Landry Parish-Civil Fees	-	30
Sheriff of Tangipahoa Parish-Civil Fees	310	-
Sheriff of Vernon Parish-Civil Fees	187	182

(Continued)

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Less: Disbursements To Governments & Nonprofits: (continued)		
Sheriff of Webster Parish-Civil Fees	100	132
Sheriff of Winn Parish-Civil Fees	225	90
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	1,183	898
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)		
CIVIL FEES	212,477	218,710
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	240,503	67,933
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	13,655	38,405
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	531,741	391,002
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 5,461,006	\$ 6,211,264
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

(Concluded)

DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2021

First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
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Receipts From: *(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)*

<i>Desoto Parish Sheriff-Criminal Court Cost/Fees</i>	\$ 22,398	\$ 28,294
<i>Desoto Parish District Attorney-Criminal Fines - Other</i>	1,400	600
<i>Desoto Parish District Attorney-Bond Fees</i>	350	532
<i>Other/ Other</i>	-	-
Subtotal Receipts	\$ 24,148	\$ 29,426

Ending Balance of Amounts Assessed but Not Received *(only applies to those agencies that assess on behalf of themselves, such as courts)*

-	-
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Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>

OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' 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*

DeSoto Parish Clerk of Court
Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major funds and the aggregate remaining fund information of the DeSoto Parish Clerk of Court (the 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 December 30, 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 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 financial statement. 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 Clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2021

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2021**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the DeSoto Parish Clerk of Court as of and for the year June 30, 2021.
2. No significant deficiencies or material weaknesses in internal controls were reported relating to the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the DeSoto Parish Clerk of Court were reported.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

**DESOTO PARISH CLERK OF COURT
MANSFIELD, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2020**

FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

DeSoto Parish Clerk of Court

REPORT TO MANAGEMENT

JUNE 30, 2021



December 30, 2021

Jeremy Evans, Clerk of Court
DeSoto Parish Clerk of Court
Mansfield, Louisiana

We have audited the financial statements of the DeSoto Parish Clerk of Court (the Clerk), for the year ended June 30, 2021 and have issued our report thereon. As part of our audit, we evaluated the internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish 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.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we became aware of matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. The Clerk's response to the matters identified below were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it. This letter does not affect our reports dated December 30, 2021, on the financial statements, compliance and internal controls of the Clerk.

Current Year

MLC2021-001 Advance Deposit Reconciliation (repeat)

Criteria:

The Advanced Deposit Fund bank account is used as a depository for advance deposits in suits filed by litigants. Control procedures should be in place that reconcile escrowed balances by case number in the case management software to the respective cash and investment balances available for settlement of these cases.

Condition:

The total balance of the escrowed balances by case number are not reconciled to the respective cash and investment balances available for settlement of these cases.

Recommendation:

We recommend that the Clerk implement a procedure of reconciling the total balance of escrowed balances by case number to the respective cash and investment balances available for settlement of these cases.

Management's Response:

Management concurs with this finding and progress has been made. Management will continue to investigate old entries in the case management software. The Clerk has entered into a Cooperative Endeavor Agreement (CEA) with other Clerks of Court for the purpose of acquiring or developing software that will provide the necessary information to perform these reconciliations. One of the Clerks of Court that is part of the CEA fully transitioned in 2021. Subsequent to testing and any necessary software fixes, DeSoto Parish Clerk of Court anticipates implementation and utilization of the software by June 30, 2022.

MLC2021-002 Cybersecurity Risks (repeat)

Criteria:

Cybersecurity risks exists with respect to information technology. Training and education with regard to cybersecurity risks (i.e. phishing emails, data security, encryption, etc.) should be completed by all personnel.

Condition:

Personnel are not formally educated and trained with regard to the threats of cybersecurity risks.

Recommendation:

We recommend that the Clerk implement annual training and education with regard to cybersecurity risks for all personnel.



Management's Response:

Management concurs with this finding. Management will conduct cybersecurity training and education for all personnel. Management anticipates implementing a solution by June 30, 2022.

Prior Year

MLC2020-001 Advance Deposit Reconciliation (repeat)

Criteria:

The Advanced Deposit Fund bank account is used as a depository for advance deposits in suits filed by litigants. Control procedures should be in place that reconcile escrowed balances by case number in the case management software to the respective cash and investment balances available for settlement of these cases.

Condition:

The total balance of the escrowed balances by case number are not reconciled to the respective cash and investment balances available for settlement of these cases.

Status:

Progress but pending. See MLC 2021-001.

MLC2020-002 Cybersecurity Risk

Criteria:

Cybersecurity risks exist with respect to information technology. Training and education with regard to cybersecurity risks (i.e. phishing emails, data security, encryption, etc.) should be completed by all personnel.

Condition:

Personnel are not formally educated and trained with regard to the threats of cybersecurity risks.

Status:

Repeat. See MLC 2021-002.

We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the Clerk's staff for their patience and cooperation with us during the performance of the audit.



This report is intended solely for the information and use of the Desoto Parish Clerk of Court and its management and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2021