

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021
With
INDEPENDENT AUDITOR'S REPORT**

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

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THE HALFORD FIRM, PLLC

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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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 of the Madison Parish Clerk of Court, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-6 and the budgetary comparison information on page 31 be presented to supplement the basic financial statements. Such information, although not a part of 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 Madison Parish Clerk of Court's basic financial statements. The supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements.

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The other supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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 Governmental Auditing Standards, we have also issued our report dated March 30, 2022, on our consideration of the Madison Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison Parish Clerk of Court's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi
March 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION

MADISON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Madison Parish Clerk of Court's financial performance provides an overview of the Clerk's financial activities for the year ended June 30, 2021. Please review it in conjunction with the transmittal letter and Madison Parish Clerk of Court's basic financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

Total net position decreased by \$102,455 as a result of this year's operations.

Program specific revenues accounted for \$412,176, or 87% of all revenues.

The Madison Parish Clerk of Court had \$577,939 in expenses related to governmental activities with \$412,176 in program revenues to cover the cost of those programs.

USING THIS ANNUAL REPORT

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

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Clerk's liabilities exceeded assets by \$1,004,266. The Madison Parish Clerk of Court's net position reflects its investment in capital assets at June 30, 2021, to be \$234.

Management's Discussion and Analysis
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The following table reflects a condensed statement of the Clerk's net position as of June 30, 2021, and 2020.

	Governmental-Type Activities	
	June 30, 2021	June 30, 2020
Assets		
Current & other assets	\$ 152,638	\$ 182,014
Capital assets	234	1,777
Total Assets	152,872	183,791
Deferred outflows of resources	373,351	248,457
Liabilities		
Current liabilities	40,595	25,242
Long-term liabilities	1,281,788	1,091,836
Total Liabilities	1,322,383	1,117,078
Deferred inflows of resources	208,106	216,981
Net Position (Deficit)		
Invested in capital assets, net	234	1,777
Unrestricted	(1,004,500)	(903,588)
Total Net Position (Deficit)	\$ (1,004,266)	\$ (901,811)

A portion of the net position may either be restricted as to the purposes for which it can be used or invested in capital assets. Unrestricted net position decreased by \$100,912. Unrestricted net position may be used to fund the Madison Parish Clerk of Court programs in the next fiscal year.

Changes in net position. The Madison Parish Clerk of Court's total revenues were \$475,484 representing a decrease of \$34,975, or 7%. A significant portion, \$179,488 or 42% comes from court costs, fees, and charges. (See Table 2).

**Table 2 Madison Parish Clerk of Court sources of Revenue
for Fiscal Year 2021**

Court cost, fees and charges	\$ 179,448	42.10%
Fees for recording legal documents	197,360	34.13%
Other operating revenue	35,368	6.26%
Total operating revenue	412,176	82.49%
Intergovernmental	24,600	10.52%
Interest income	220	0.56%
Other revenue	30,848	5.90%
Election reimbursement	7,640	0.53%
Total revenue	\$ 475,484	100.00%

Request for Information

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

BASIC FINANCIAL STATEMENTS

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 127,365
Receivables	25,273
Total current assets	<u>152,638</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	234
Total Assets	<u>152,872</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	61,701
Pension related	311,650
Total Deferred Outflows of Resources	<u>373,351</u>
LIABILITIES	
Current liabilities:	
Accounts payable	23,603
Accrued payroll and related benefits	7,786
Due to Advance Deposit Fund	9,206
Long-term Liabilities:	
OPEB payable	640,524
Net pension liabilities	641,264
Total Liabilities	<u>1,322,383</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB related	187,318
Pension related	20,788
Total Deferred Inflows of Resources	<u>208,106</u>
NET POSITION (DEFICIT)	
Invested in capital assets	234
Unrestricted (deficit)	(1,004,500)
Total Net Position (Deficit)	<u>\$ (1,004,266)</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Activities	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position
<i>Governmental activities:</i>			
General government	\$ 577,939	\$ 412,176	\$ (165,763)
General revenues:			
Intergovernmental			24,600
Interest earnings			220
Election reimbursement			7,640
Other			30,848
Total general revenues			63,308
Change in net position			(102,455)
Net position (deficit) - Beginning			(901,811)
Net position (deficit) - Ending			\$ (1,004,266)

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 127,365
Receivables	<u>22,792</u>
 Total Assets	 <u><u>150,157</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	23,603
Accrued payroll and related benefits	7,786
Due to Advance Deposit Fund	<u>9,206</u>
 Total Liabilities	 <u>40,595</u>
Fund Balance:	
Unassigned	109,562
Total Fund Balance	<u>109,562</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 150,157</u></u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

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

Fund balances, Total governmental funds		\$ 109,562
Receivables collected more than 60 days after the current period are not recorded on the fund financial statements:		2,481
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	125,159	
Less accumulated depreciation	<u>(124,925)</u>	234
The deferred outflows of expenditures for the Clerks' of Court Retirement and Relief Fund are not a use of current resources, and therefore, are not reported in the fund financial statements		373,351
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:		
OPEB payable	(640,524)	
Net pension liability	<u>(641,264)</u>	(1,281,788)
The deferred inflows of contributions for the Clerks' of Court Retirement and Relief Fund are not available current resources, and therefore, are not reported in the fund financial statements		<u>(208,106)</u>
Net Position (Deficit) of Governmental Activities		<u>\$ (1,004,266)</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues	
Licenses and permits - marriage	\$ 1,750
Intergovernmental revenues:	
Clerk's supplemental compensation	24,600
Fees, charges, and commissions for services:	
Court costs, fees, and charges	177,415
Fees for recording legal documents	197,360
Fees for certified copies of documents	28,980
Use of money and property -	
Interest income	220
Election	7,640
Other	4,638
Total Revenues	<u>442,603</u>
Expenditures	
Current:	
General government - judicial:	
Personal services and related benefits	405,467
Operating services	39,187
Materials and supplies	21,825
Travel and other charges	22,885
Total Expenditures	<u>489,364</u>
Excess (Deficiency) of Revenues Over Expenditures	(46,761)
Fund Balance - Beginning of Year	<u>156,323</u>
Fund Balance - End of Year	<u><u>\$ 109,562</u></u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net Change in Fund Balances, total governmental funds	\$	(46,761)
Governmental funds do not report funds received more than 60 days after year end, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities:		2,031
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(1,542)
The Statement of Activities reported the unfunded cost of post-employment medical insurance (OPEB) in the current year, but the costs will not be reported in the governmental funds until actually paid.		(13,314)
Net pension expense is reported in governmental funds as an expenditure when it is paid, but is reported in the Statement of Activities according to estimates required by GASB 68:		
Pension expenses paid	77,793	
Pension expenses per GASB 68	<u>(120,662)</u>	
		<u>(42,869)</u>
Change in Net Position of Governmental Activities	\$	<u>(102,455)</u>

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2021**

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 464,454
Due from General Fund	<u>9,206</u>
Total Assets	<u><u>473,660</u></u>
Liabilities	
Accounts payable	38,895
Due to litigants and other	<u>434,765</u>
Total Liabilities	<u><u>\$ 473,660</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FINANCIAL REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS)

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

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

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. BASIS OF PRESENTATION - continued

Fund Financial Statements (FFS)

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

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

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

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

Governmental Fund – General Fund

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

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

Fiduciary Funds - Agency Funds

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

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

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

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

Measurement Focus

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

In the fund financial statements, the government fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included in its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

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

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

D. BUDGET AND BUDGETARY ACCOUNTING

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

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

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. BUDGET AND BUDGETARY ACCOUNTING - continued

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

E. CASH AND INTEREST-BEARING DEPOSITS

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

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

F. RECEIVABLES

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

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000, or more for capitalizing capital assets.

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. FUND EQUITY

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

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

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

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

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

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

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

I. LONG-TERM DEBT

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The Clerk has two long-term debts at June 30, 2021. These are the OPEB payable and net pension liability.

J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. These amounts are reported as deferred outflows of resources and/or deferred inflows of resources in the government-wide financial statements.

-continued

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 2 – CASH AND CASH EQUIVALENT

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

At June 30, 2021, the Clerk has cash and cash equivalents (book balances) totaling \$591,819, of which \$464,454 is attributable to fiduciary funds, and is not presented in the Statement of Net Position.

Demand deposits	\$ 513,272
LAMP	78,547
Total	<u>\$ 591,819</u>

These deposits are stated at cost, which approximates market. Under state law these deposits, or the resulting bank balances, must be fully secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent bank. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) not in LAMP at June 30, 2021, are secured by federal deposit insurance in the amount of \$520,165, and by pledged securities in the amount of \$ -0-.

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

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 2 – CASH AND CASH EQUIVALENT – continued

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

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

NOTE 3 – COMPENSATED ABSENCES

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

NOTE 4 – RISK MANAGEMENT

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

NOTE 5 – RECEIVABLES

The Clerk's receivables at June 30, 2021, are as follows:

Class of receivable

	Governmental Funds	Government- Wide
Fees, charges, and commissions for services:		
Court costs, fees, and charges	\$ 10,400	\$ 10,400
Non-support fees	-	2,145
Advance Deposit Fund	16,942	16,942
Total	27,342	29,487
Less allowance for doubtful account	(4,550)	(4,214)
Net	\$ 22,792	\$ 25,273

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 6 - CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Office furniture and equipment	\$ 125,159	\$ -	\$ -	\$ 125,159
Total capital assets	<u>125,159</u>	<u>-</u>	<u>-</u>	<u>125,159</u>
Less:				
Accumulated depreciation	<u>(123,383)</u>	<u>(1,542)</u>	<u>-</u>	<u>(124,925)</u>
Total capital assets, net	<u>\$ 1,776</u>	<u>\$ (1,542)</u>	<u>\$ -</u>	<u>\$ 234</u>

NOTE 7 - PENSION PLAN

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

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

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Members are required to contribute 8.25% of their annual covered salary and the Madison Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 21.00% of annual covered payroll. The Madison Parish Clerk of Court contributed the entire 29.25%. The Madison Parish Clerk of Court's contribution for the year ending June 30, 2021, was \$77,793, equal to the required contributions of the year.

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

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 7 - PENSION PLAN- continued

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

At June 30, 2021, the Clerk reported a liability of \$641,264 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks, actuarially determined. At June 30, 2020, the Clerk's proportion was .266542 percent, which was a decrease of .007254% from its proportion as of June 30, 2019.

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

For the year ended June 30, 2021, the Clerk recognized pension expense of \$151,510. 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	\$ 8,012	\$ -
Changes of assumptions	56,875	-
Net difference between projected and actual earnings on pension plan investments	137,439	7,932
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	31,531	12,856
Clerk contributions subsequent to the measurement date	77,793	-
	<u>311,650</u>	<u>20,788</u>
Total	<u>\$ 311,650</u>	<u>\$ 20,788</u>

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 7 - PENSION PLAN- continued

Deferred outflows of resources of \$77,793 related to pensions resulting from Clerk contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	51,223
2022		69,225
2023		58,258
2024		34,363
Total	<u>\$</u>	<u>213,069</u>

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

The components of the net pension liability of the Fund's participating employers as of June 30, 2021, are as follows:

	2020
Total Pension Liability	<u>\$ 862,128,293</u>
Plan Fiduciary Net Position	<u>(621,541,786)</u>
Total Net Pension Liability	<u>\$ 240,586,507</u>

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 7 - PENSION PLAN- continued

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

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.75%, net of investment expense.
Projected salary increases	1-5 years of service - 6.2% 5 years or more 5%
Inflation rate	2.50%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females
Expected Remaining Service Lives	2019 - 5 years 2018 - 5 years 2017 - 5 years 2016 - 5 years 2015 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2020 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, unless otherwise specified.

The mortality rate assumption used was verified by combing data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 – June 30, 2019.

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The results of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 7 - PENSION PLAN- continued

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by adding expected inflation. The long-term expected rate of return was 6.18%, for the year ended June 30, 2020.

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2020, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income:		
Domestic Bonds	20.0%	2.50%
International Bonds		3.50%
Domestic Equity	33.0%	7.50%
International Equity	22.0%	8.50%
Real Estate	15.0%	4.50%
Hedge Funds	10.0%	6.59%
	<u>100.0%</u>	

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 PRSAC taking into consideration the recommendation of the Fund's actuary. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate at June 30, 2020.

	Changes in Discount Rate 2020		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 894,875	\$ 641,264	\$ 427,502

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 8 – DEFERRED COMPENSATION PLAN

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

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

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

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

Employees covered by benefit terms. On January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	5
Total	7

Total OPEB Liability

The Clerk’s total OPEB liability of \$640,524 was measured as of June 30, 2021 and was determined by an actuarial valuation as of January 1, 2020.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS- continued

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.40%
Salary Increases, including inflation:	3.25%
Discount Rate:	1.92%
Health Care Cost Trend Rates	
Medical:	4.95% for 2021, 6.25% for 2022, decreasing 0.25% per year to an ultimate rate of 5.0% for 2027 and later years.
Medicare Advantage :	0% for 2021, 4.75% for 2022, decreasing 0.25% per year to an ultimate rate of 3.0% for 2029 and later years. Includes 2% per year for aging.
Dental:	3.0% annual trend.
Vision:	3.0% annual trend
Retirees' Share of Benefit-Related Costs:	
Medical:	0% for retirees and 0% for dependents.
Medicare Advantage:	0% for retirees and 0% for dependents.
Dental:	0% for retirees and 0% for dependents.
Vision:	0% for retirees and 0% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the June 30, 2021, Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2020 for males or females, as appropriate.

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2020 for males or females, as appropriate.

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

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS- continued

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2020	\$ 594,625
Changes for the year:	
Service cost	23,110
Interest	15,006
Difference between expected and actual experience	(8,812)
Change in assumptions/inputs	27,055
Change in benefits terms	-
Benefit payments	(10,460)
Administrative expense	-
Net Changes	45,899
Balance at 6/30/2021	\$ 640,524

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 (.92%) or 1-percentage-point higher (2.92%) than the current discount rate:

	1% Decrease (.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB Liability	\$ 745,356	\$ 640,524	\$ 546,758

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 590,104	\$ 640,524	\$ 712,411

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

For the year ended June 30, 2021, the Clerk recognized an OPEB expense \$23,775. At June 30, 2021, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS- continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 45,727
Changes of assumptions or other inputs	61,701	141,591
	<u>\$ 61,701</u>	<u>\$ 187,318</u>

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

Year Ended June 30:	
2022	\$(14,341)
2023	\$(14,341)
2024	\$(14,207)
2025	\$(21,189)
2026	\$(21,189)
Thereafter	\$(40,350)

NOTE 10 – CHANGES IN AGENCY FUND BALANCE

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

	Agency Deposit	Registry of Court	Total
Balance at June 30, 2020	\$ 106,829	\$ 270,943	\$ 377,772
Additions	259,185	71,803	330,988
Deletions	(229,091)	(44,904)	(273,995)
Balance at June 30, 2021	<u>\$ 136,923</u>	<u>\$ 297,842</u>	<u>\$ 434,765</u>

NOTE 11 – FIDUCIARY FUND TYPE – AGENCY FUNDS

Advance Deposit Fund

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

Registry of Court Fund

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

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

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

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

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events were evaluated through March 30, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	BUDGET ORIGINAL	ACTUAL (BUDGETARY) BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
License and permits - marriage	\$ 1,750	\$ 1,750	\$ -
Intergovernmental revenues:			
Clerk's supplemental compensation	24,600	24,600	-
Fees, charges, and commissions for services:			
Court costs, fees, and charges	179,000	177,415	(1,585)
Fees for recording legal documents	188,000	197,360	9,360
Fees for certified copies of documents	29,000	28,980	(20)
Use of money and property - interest earnings	65	220	155
Election	3,500	7,640	4,140
Other	-	4,638	4,638
Total revenues	<u>425,915</u>	<u>442,603</u>	<u>16,688</u>
EXPENDITURES			
Current:			
General governmental - judicial			
Personal services and related benefits	420,509	405,467	15,042
Operating services	38,900	39,187	(287)
Materials and supplies	4,750	21,825	(17,075)
Travel and other charges	1,400	22,885	(21,485)
Total expenditures	<u>465,559</u>	<u>489,364</u>	<u>(23,805)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(39,644)	(46,761)	(7,117)
FUND BALANCE, beginning of year	<u>156,323</u>	<u>156,323</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 116,679</u>	<u>\$ 109,562</u>	<u>\$ (7,117)</u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF CHANGES IN THE CLERK'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021**

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

Note to Schedule:

Changes of Benefit Terms:

None

Changes of Assumptions:

Changes of assumptions and other inputs reflects the effects of changes in the discount rate each period. The following are the discount rates used in each period:

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

Mortality Rates

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

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

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

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

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTION
LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

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

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

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

**MADISON PARISH CLERK OF COURT
TALLAH, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
ASSETS			
Cash and equivalents	\$ 166,612	\$ 297,842	\$464,454
Due from General Fund	9,206	-	9,206
TOTAL ASSETS	<u>175,818</u>	<u>297,842</u>	<u>473,660</u>
LIABILITIES			
Accounts Payable	38,895	-	38,895
Unsettled deposits	136,923	297,842	434,765
TOTAL LIABILITIES	<u>\$ 175,818</u>	<u>\$ 297,842</u>	<u>\$473,660</u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	Advance Deposit Fund	Registry Of Court Fund	Total
Balances, beginning of year	<u>\$ 106,829</u>	<u>\$270,943</u>	<u>\$ 377,772</u>
Additions:			
Deposits:			
Suits and successions	259,185	71,615	330,800
Interest earnings	-	188	188
Total additions	<u>259,185</u>	<u>71,803</u>	<u>330,988</u>
Total	<u>366,014</u>	<u>342,746</u>	<u>708,760</u>
Reductions:			
Payments by order of the court	-	44,904	44,904
Clerk's costs	131,677	-	131,677
Settlements to litigants	61,971	-	61,971
Sheriff's fees	14,699	-	14,699
Other reductions	20,744	-	20,744
Total reductions	<u>229,091</u>	<u>44,904</u>	<u>273,995</u>
Balances, end of year	<u>\$ 136,923</u>	<u>\$297,842</u>	<u>\$ 434,765</u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2021**

Marion Hopkins, Clerk

Salary and expense amount	\$	140,883
Benefits - insurance		757
Benefits - retirement		40,090
Benefits - deferred compensation		5,850
Reimbursements - travel/conference		1,078
		<hr/>
Total	\$	<u>188,658</u>

See Independent Auditor's Report.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING / DISBURSING ENTITY
FOR THE YEAR ENDED JUNE 30, 2021**

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Beginning Balance of Amounts Collected	\$ 126,835	\$ 135,508
Add: Collections		
Civil Fees	141,867	117,463
Subtotal Collections	<u>141,867</u>	<u>117,463</u>
Less: Disbursements to Governments and Nonprofits-		
Battered Womens Shelter Fund	270	180
Court of Appeals	653	327
Court Reporters	2,868	3,015
Curators	1,950	750
Judges Supplemental Comp Fund	3,029	3,038
Judicial College Fund	62	55
Judicial Expense Fund	1,856	1,872
Secretary of State	300	700
Settlements/Refunds to Litigants	56,199	5,773
Supreme Court LA	60	50
Ascension Parish Sheriff, Civil Fees	-	90
Bossier Parish Sheriff, Civil Fees	47	-
Caddo Parish Sheriff, Civil Fees	104	205
Caldwell Parish Sheriff, Civil Fees	45	-
Claiborne Parish Sheriff, Civil Fees	-	30
East Baton Rouge Parish Sheriff, Civil Fees	781	1,209
East Carroll Parish Sheriff, Civil Fees	-	56
Franklin Parish Sheriff, Civil Fees	125	70
Jefferson Parish Sheriff, Civil Fees	30	30
Lafayette Parish Sheriff, Civil Fees	142	-
Lafourche Parish Sheriff, Civil Fees	33	-
Lincoln Parish Sheriff, Civil Fees	36	138
Livingston Parish Sheriff, Civil Fees	-	43

continued

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING / DISBURSING ENTITY
FOR THE YEAR ENDED JUNE 30, 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 and Nonprofits- continued		
Madison Parish Sheriff, Civil Fees	4,360	4,525
Morehouse Parish Sheriff, Civil Fees	68	30
Natchitoches Parish Sheriff, Civil Fees	21	52
Ouachita Parish Sheriff, Civil Fees	523	267
Orleans Parish Sheriff, Civil Fees	120	30
Rapides Parish Sheriff, Civil Fees	139	143
Richland Parish Sheriff, Civil Fees	113	541
St. Tammany Parish Sheriff, Civil Fees	41	162
Tangipahoa Parish Sheriff, Civil Fees	-	52
Tensas Parish Sheriff, Civil Fees	30	46
Vernon Parish Sheriff, Civil Fees	14	-
West Carroll Parish Sheriff, Civil Fees	31	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amt	<u>59,144</u>	<u>62,880</u>
Subtotal Disbursement/Retainage	<u>133,194</u>	<u>86,359</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u><u>\$ 135,508</u></u>	<u><u>\$ 166,612</u></u>

See Independent Auditor's Report

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
JUSTICE SYSTEM FUNDING
RECEIVING ENTITY
FOR THE YEAR ENDED JUNE 30, 2021**

Cash Presentation Basis	First Six Month Period Ended 12/30/2020	Second Six Month Period Ended 6/30/2021
Madison Parish Sheriff - Criminal Court Costs/Fees	\$ 35,850	\$ 28,561
Madison Parish Sheriff - Bond Fees	311	384
Subtotal Receipts	<u>\$ 36,161</u>	<u>\$ 28,945</u>
 Ending Balance of Amounts Assessed but Not Received	 <u>-</u>	 <u>-</u>

See Independent Auditor's Report

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

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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

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

We have audited the financial statements of the Madison Parish Clerk of Court as of and for the year ended June 30, 2021 and have issued our report thereon dated March 30, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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

Madison Parish Clerk of Court
Tallulah, Louisiana
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standard* and are identified as 21-01 and 21-02 in the Schedule of Findings and Questioned Costs.

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

The Halford Firm, PLLC

Vicksburg, Mississippi
March 30, 2022

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

SUMMARY OF AUDIT RESULTS

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

FINDINGS - FINANCIAL STATEMENTS AUDIT

21-01 – Local Budget Act

Finding:

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

Recommendation:

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

Management's Response:

The Clerk concurs with the finding and will monitor and amend the budget as necessary in the future.

21-02 Failure to File Audit Report Timely

Finding:

Louisiana Revised Statute 24:513 requires all audit engagements to be completed and transmitted to the Legislative Auditor within six months of the close of the fiscal year end. Accordingly, the Madison Parish Clerk of Court's audit for the year ended June 30, 2021, was due to the Legislative Auditor by December 31, 2021.

Cause:

The auditors were too far behind, because of labor shortage and covid absences to complete the audit by December 31, 2021.

Recommendation:

Every effort should be made to complete the audit in a timely manner in the future.

Management's Response:

The Clerk bears no responsibility for the failure to file the audit report timely.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

The following is a summary of the status of the prior year findings included in the auditor's report dated December 9, 2020, covering the examination of the financial statements of the Madison Parish Clerk of Court as of and for the year ended June 30, 2020.

20-01 Local Budget Act

Finding:

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

Status:

This finding was not resolved by June 30, 2021 and is a repeat finding of the current year.