

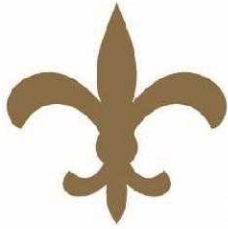
JEFFERSON DAVIS PARISH
CLERK OF COURT

Financial Report

For the Year Ended June 30, 2020

CONTENTS

	Page	
Independent Auditor's Report	1	
Basic Financial Statements:		
Statement of Net Position	4	Statement A
Statement of Activities	5	Statement B
Balance Sheet – Governmental Fund	6	Statement C
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7	Statement D
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	8	Statement E
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	9	Statement F
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	10	Statement G
Notes to the Financial Statements	11	
Required Supplementary Information:		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	34	Exhibit 1
Schedule of Employer's Proportionate Share of Net Pension Liability	35	Exhibit 2
Schedule of Employer Contributions	36	Exhibit 3
Schedule of Changes in Total OPEB Liability and Related Ratios	37	Exhibit 4
Notes to the Required Supplementary Information	38	
Other Supplemental Information:		
Combining Statement of Fiduciary Assets and Liabilities	40	Schedule 1
Combining Statement of Changes Due to Others	41	Schedule 2
Schedule of Compensation, Benefits, and Other Payments to Agency Head	42	Schedule 3
Compliance and Internal Control:		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43	
Schedule of Findings and Questioned Costs	45	



J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT AUDITOR'S REPORT

Honorable Richard M. Arceneaux
Jefferson Davis Parish Clerk of Court
Jennings, Louisiana

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Clerk of Court (the Clerk) as of June 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Clerk of Court as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As further discussed in Note 11 to the financial statements, certain events that occurred during and shortly after year end could negatively impact the financial position of the Clerk in future periods. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison schedule, the schedule of employer's proportionate share of net pension liability, the schedule of employer contributions, and the schedule of changes in net OPEB liability and related ratios 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 primarily of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

The Jefferson Davis Parish Clerk of Court has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Supplementary Information. My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining statement of fiduciary assets and liabilities, combining statement of changes in due to others, and the schedule of compensation, benefits, and other payments to agency head (Other Supplementary Information) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Supplementary Information is the responsibility of management and were derived from and relate 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 my opinion, Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated December 2, 2020, on my consideration of the Clerk's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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.

Handwritten signature in blue ink: J. Aaron Cozart, CPA, LLC

November 9, 2020

STATEMENT A**JEFFERSON DAVIS PARISH CLERK OF COURT**Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,101,229
Receivables, net	15,223
Investments	100,000
Capital assets, net of accumulated depreciation	<u>17,083</u>
 Total assets	 <u>1,233,535</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to post-employment benefits	<u>1,179,606</u>
 LIABILITIES	
Accounts payable	10,140
Accrued payroll liabilities	2,479
Noncurrent liabilities:	
Compensated absences	26,596
Other post-employment benefits payable	1,897,830
Net pension liabilities	<u>1,265,587</u>
 Total liabilities	 <u>3,202,632</u>
 DEFERRED INFLOWS OF RESOURCES	
Related to post-employment benefits	<u>920,526</u>
 NET POSITION	
Net investment in capital assets	17,083
Unrestricted (deficit)	<u>(1,727,100)</u>
 Total net position	 <u><u>\$ (1,710,017)</u></u>

The notes to the financial statements are an integral part of this financial statement.

STATEMENT B

JEFFERSON DAVIS PARISH CLERK OF COURT

Statement of Activities
For the Year Ended June 30, 2020

Activities	Expense	Fees, Fines, Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Judicial	\$ 1,503,529	\$ 1,656,355	\$ 38,784	\$ 191,610
Total governmental activities	\$ 1,503,529	\$ 1,656,355	\$ 38,784	191,610
General revenues:				
Interest				15,305
Other revenues				4,428
Total general revenues				19,733
Change in net position				211,343
Net position - beginning of year (restated)				(1,921,360)
Net position - end of year				\$ (1,710,017)

The notes to the financial statements are an integral part of this financial statement.

STATEMENT C

JEFFERSON DAVIS PARISH CLERK OF COURT

Balance Sheet
Governmental Fund
June 30, 2020

ASSETS

	<u>General Fund</u>
Assets:	
Cash and cash equivalents	\$ 1,101,229
Accounts receivable, net	15,223
Investments	<u>100,000</u>
 Total Assets	 <u><u>\$ 1,216,452</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 10,140
Accrued payroll liabilities	<u>2,479</u>
 Total Liabilities	 <u>12,619</u>
 Fund balance:	
Unassigned	<u>1,203,833</u>
 Total liabilities and fund balance	 <u><u>\$ 1,216,452</u></u>

The notes to the financial statements are an integral part of this financial statement.

STATEMENT D

JEFFERSON DAVIS PARISH CLERK OF COURT
 Reconciliation of the Governmental Funds Balance Sheet
 To the Statement of Net Position
 June 30, 2020

Total Fund Balances – Governmental Funds	\$ 1,203,833
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental Funds Balance Sheets. This is the capital assets, net of accumulated depreciation reported on the Statement of Net Position</p>	17,083
<p>Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the Clerk’s governmental activities:</p>	
Compensated absences	(26,596)
Other post-employment benefits	(1,897,830)
Net pension liability	(1,265,587)
<p>Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:</p>	
Deferred outflows of resources related to pensions	349,181
Deferred outflows of resources related to OPEB	830,425
Deferred inflows of resources related to pensions	(63,935)
Deferred inflows of resources related to OPEB	(856,591)
	(856,591)
Total Net Position – Governmental Activities	\$ (1,710,017)

The notes to the financial statements are an integral part of this financial statement.

STATEMENT E

JEFFERSON DAVIS PARISH CLERK OF COURT

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

REVENUES

Intergovernmental revenues	\$ 38,784
Charges for services:	
Court costs and fees	1,031,486
Certified copies and data processing	70,367
Licenses	4,538
Recording fees	549,964
Interest earned	15,305
Other revenues	<u>4,427</u>
Total Revenues	1,714,871

EXPENDITURES

Judicial	<u>1,420,108</u>
Change in fund balance	294,763
Fund balance, beginning	<u>909,070</u>
Fund balance, ending	<u>\$ 1,203,833</u>

The notes to the financial statements are an integral part of this financial statement.

STATEMENT F

JEFFERSON DAVIS PARISH CLERK OF COURT

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2020

Net Change in Fund Balance – Governmental Funds	\$ 294,763
---	------------

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period

Depreciation expense	(5,602)
Capital outlay	8,553

Governmental funds report payments on long-term obligations as expenditures. However, in the Statement of Activities, these payments are recognized as decreases in the long-term debt. This is the change in long-term obligations during the year.

Compensated absences	675
Other post-retirement benefit expense	(63,407)
Pension expense	<u>(23,639)</u>

Change in Net Position – Governmental Activities	<u><u>\$ 211,343</u></u>
--	--------------------------

The notes to the financial statements are an integral part of this financial statement.

STATEMENT G

JEFFERSON DAVIS PARISH CLERK OF COURT

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

ASSETS

Cash and cash equivalents	\$ 2,018,745
Investments	<u>200,000</u>
Total assets	<u>\$ 2,218,745</u>

LIABILITIES

Held in trust for others	<u>\$ 2,218,745</u>
Total liabilities	<u>\$ 2,218,745</u>

The notes to the financial statements are an integral part of this financial statement.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Introduction

The Jefferson Davis Parish Clerk of Court (hereinafter referred to as the Clerk), as provided by Article V, Section 28 of the Louisiana Constitution of 1974, 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 of Court is elected for a four-year term.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Clerk conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental units*. The following is a summary of certain significant accounting policies:

Financial Reporting Entity

Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Jefferson Davis Police Jury is the financial reporting entity for Jefferson Davis Parish. The Clerk, therefore, is considered a component unit of the Jefferson Davis Police Jury. It has been determined that the financial statements of the Police Jury would be misleading if data of the Clerk is not included because of the nature or significance of the relationship. The accompanying financial statements, however, present only the transactions of the Jefferson Davis Parish Clerk of Court.

Basis of Accounting/Measurement Focus

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2020

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

Accrual

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

Modified Accrual

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Basic Financial Statements – Government-wide Statements

In accordance with Government Accounting Standards Boards Statement No. 34, the Clerk has presented a statement of net position and statement of activities for the Clerk as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Program Revenues

The statement of activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Clerk. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Compensated Absences

The Clerk has the following policy relating to vacation and sick leave:

Vacation leave - All full-time employees of the Clerk earn vacation leave at a rate of 2 to 4 weeks each year, depending upon their length of service. Vacation must be used prior to June 30.

Sick leave - Sick leave, referred to as personal leave, is earned at a rate of one day per month employed. Personal leave is typically used in the month in which it is earned unless an illness requires additional time off. Accumulated personal leave is not paid upon termination from employment.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures in the General Fund when leave is actually earned.

Pension Plan

The Clerk records its proportionate share of the net pension liability from the Louisiana Clerks' of Court Retirement and Relief Fund in accordance with GASB No. 68. An actuarial valuation is prepared each year by the retirement system and the net pension liability and its related deferrals are recorded accordingly.

Other Post-Employment Benefits (OPEB)

The Clerks' obligation for other post-employment benefits is recorded in accordance with GASB No. 75. An actuarial valuation is prepared each year and the OPEB obligation and its related deferrals are recorded accordingly.

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Net Position

In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position - Net positions that are reserved by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, this non-expendable net position is recorded separately from expendable net position. These are components of restricted net position.

Unrestricted Net Position - This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

Basic Financial Statements – Fund Financial Statements

The Clerk uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Clerk are classified under two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types.

The fund classifications and a description of each existing fund type follow:

Governmental Fund Type:

Governmental funds account for all or most of the Clerk's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Clerk include:

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.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2020

Fiduciary Fund Type:

These fund types are used to account for assets held in trust for third-party individuals, private organizations and/or other governmental units/funds. Fiduciary funds include:

Agency Funds - The Advance Deposit and Registry of Court agency funds account for assets held by the Clerk as an agent for others, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid. The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds that have been ordered by the Clerk to be held until judgment has been rendered in court litigation. Withdrawal of these funds can be made only upon order of the Court.

Budgets and Budgetary Accounting

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

- a. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. 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.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. 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.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits and time certificates. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the Clerk may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2020

Investments

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. Investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Receivables

Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. There is no allowance recorded in the accompanying financial statements as management expects 100% of its outstanding receivables to be collected. Revenues become susceptible to accrual when they become both measurable and available.

Fund Balances

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Non-spendable - This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted - Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed - Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned - Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned - This category represents that portion of equity that is available for any purpose.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 2 – DEPOSITS

Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At June 30, 2020, the Clerk of Court has deposits (book balances) as follows:

	Governmental Activities	Fiduciary Activities	Total
Cash and cash equivalents	\$ 1,101,229	\$ 2,018,745	\$ 3,119,974
Certificates of deposit	<u>100,000</u>	<u>200,000</u>	<u>300,000</u>
Total	<u>\$ 1,201,229</u>	<u>\$ 2,218,745</u>	<u>\$ 3,419,974</u>

Included in cash and cash equivalents for governmental activities is \$704,018 invested with Louisiana Asset Management Pool (LAMP). Certificates of deposit are classified as investments in the financial statements as their original maturities exceed 90 days.

Custodial credit risk is the risk that, in the event of a bank failure, the Clerk’s deposits may not be recovered. Under state law, the Clerk’s deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the Clerk or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2020, the Clerk had \$2,813,942 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$1,323,703 of federal deposit insurance and \$1,490,239 of pledged securities held by the custodial bank in the name of the Clerk. The deposits covered by insurance and pledged securities are not considered subject to custodial credit risk according to GASB Statement No. 40, *Deposit and Investment Risk Disclosure*.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

GASB Statement No. 40 requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted-average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7-like pools.

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 of the position in the external investment pool is the same as the net asset value of the pool shares.

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

NOTE 3 - RECEIVABLES

Accounts receivable at June 30, 2020, in the amount of \$15,223 consists of services rendered on account. No allowance for doubtful accounts has been provided as the receivables are considered fully collectible.

NOTE 4 – CAPITAL ASSETS

Capital assets are capitalized at a 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 \$500 or more for capitalizing capital assets.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Capital assets are reported in the government-wide financial statements, but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives. Capital asset activity for the year ended June 30, 2020, is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 86,171	\$ 8,553	\$ -	\$ 94,724
Accumulated depreciation	(72,039)	(5,602)	-	(77,641)
	<u>\$ 14,132</u>	<u>\$ 2,951</u>	<u>\$ -</u>	<u>\$ 17,083</u>

All depreciation expense totaling \$5,602 was charged to government activities.

NOTE 5 – ON-BEHALF PAYMENTS

Certain operating expenditures for the Clerk office are paid by the Jefferson Davis Parish Police Jury and are not included in the accompanying financial statements.

NOTE 6 – ANNUAL AND SICK LEAVE

All employees of the Clerk of Court’s office earn from two to four weeks of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the Clerk’s office earn one day per month of sick leave. Employees are not paid for accumulated sick leave upon termination of employment.

NOTE 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; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering professional liability and surety bond coverage. In addition to the above policies, the Clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies’ coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2020.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 8 – PENSION PLAN

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225)293-1162.

The Clerk of Court's office has implemented GASB Statement 68, Accounting and Financial Reporting for Pensions. These standards require the Clerk of Court's office to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Description

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

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits. A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more, and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3% of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated 60 consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the 60 consecutive months to all members. This Act has a transition period for those members who retired on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age sixty with an accrual rate of 3% for all members hired on or after January 1, 2011.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

Disability Benefits. Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

1. A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
2. A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disabled retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disabled retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

1. The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
2. The member has at least ten years of service credit.

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

1. Forty percent of their monthly average final compensation.
2. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

A member leaving covered employment before attaining early retirement age but after completing twelve years credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

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

Deferred retirement option plan. In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan.

The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. Interest accruals cease upon termination of employment. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements For the Year Ended June 30, 2020

The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost-of-Living Adjustments. The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later. In order to grant any cost-of-living increase, the Fund must meet criteria as detailed in the Louisiana statutes related to funding status.

Contributions. In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense.

Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 19.00% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, 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. The Clerk of Court's contributions to the system for the years ended June 30, 2020, 2019, and 2018, were \$134,697, \$128,028, and \$127,648, respectively, equal to the required contributions for each year.

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

At June 30, 2020, the Employer reported a liability of \$1,265,587 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Agency's proportion was 0.696912%, which was a decrease of 0.026676 percentage points from its proportion measured as of June 30, 2018.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,535	\$ -
Changes of assumptions	80,901	-
Net difference between projected and actual earnings on pension plan investments	98,048	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	63,935
Employer contributions subsequent to the measurement date	<u>134,697</u>	<u>-</u>
Total	<u>\$ 349,181</u>	<u>\$ 63,935</u>

The Clerk reported \$134,697 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of June 30, 2019, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	
2020	\$ 57,749
2021	9,084
2022	56,345
2023	<u>27,371</u>
	<u>\$ 150,549</u>

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial cost method	Entry Age Normal
Investment rate of return	6.75%, net of investment expenses
Projected salary increases	5.00%
Inflation rate	2.50%
Mortality	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females
Expected remaining service lives	5 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2019 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 through June 30, 2014, unless otherwise specified. In cases where benefit structures were changed after the experience study period, assumptions were based on future experiences.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income:	20.00%	
Domestic bonds		2.50%
International bonds		3.50%
Domestic equity	33.00%	7.50%
International equity	27.00%	8.50%
Real estate	10.00%	4.50%
Hedge funds	10.00%	6.59%
	80.00%	

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Employer's proportionate share of the 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 as of June 30, 2019:

	Change in Discount Rate		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Discount rate	5.75%	6.75%	7.75%
Net pension liability	<u>\$ 1,880,451</u>	<u>\$ 1,265,587</u>	<u>\$ 743,967</u>

Payables to the System

At June 30, 2020, the Clerk did not have any amounts owed to the pension plan.

NOTE 9 – DEFERRED COMPENSATION PLAN

All the employees of the Clerk are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$16,500 per year) to the plan on a pre-tax basis. The contributions are withheld from the employee's paycheck and the Clerk matches up to 6% for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each payday where they are deposited to an account in the employee's name. The Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2020, the Clerk's matching funds totaled \$36,783.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Funding Policy

The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk currently pays 100% towards the premiums for eligible retired plan members as well as the cost for their spouses and dependent children. During the current year, the Clerk contributed approximately \$50,615 to the plan on behalf of participating retirees.

Employees covered by benefit terms

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

Active	14
Retired	<u>12</u>
	<u>26</u>

Total OPEB liability

The Clerk’s total OPEB liability of \$1,897,830 was measured as of June 30, 2020 and was determined by an actuarial valuation as of January 1, 2020.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Actuarial assumptions and other inputs.

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

Valuation Date	January 1, 2020
Inflation	2.4%
Discount rate	2.45%
Projected salary increases	3.25%
Health Care Cost Trend Rates:	
Medical	6.5% for 2021, decreasing 0.25% per year to an ultimate rate of 5.0% for 2027 and later years.
Medical Advantage	50% for 2021, decreasing 0.25% per year to an ultimate rate of 3.0% for 2029 and later years.
Dental	3.0% annual trend
Vision	3.0% annual trend
Retirees' Share of Costs	0.0%
Mortality	PubG.H-2010 Employee mortality table for active employees. PubG.H-2010 Healthy Retiree mortality table for retirees.

The discount rate was based on the 6/30/2020 Fidelity General Obligation AA 20-Year Yield.

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

Mortality rates for retired employees were based on the PubG.H-2010 Healthy Retiree mortality table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

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

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

Changes in the Total OPEB Liability

Changes in total OPEB liability for the year ended June 30, 2020 is as follows:

Service cost	\$	46,510
Interest		62,809
Difference between actual and expected experience		616,800
Changes in assumptions or other inputs		(763,145)
Employer contributions		<u>(50,615)</u>
Net change in total OPEB liability		(87,641)
Total OPEB liability - beginning		<u>1,985,471</u>
Total OPEB liability - ending	\$	<u>1,897,830</u>

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

The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45%) or 1-percentage-point higher (3.45%) than the current discount rate. Discount Rate Assumption use discount rate baseline is 2.45%:

	Change in Discount Rate		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Discount rate	1.45%	2.45%	3.45%
Total OPEB liability	<u>\$ 2,195,141</u>	<u>\$ 1,897,830</u>	<u>\$ 1,670,495</u>

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

The OPEB liability calculated using healthcare trend rates 1% greater than and 1% less than the baseline trends are shown in the table below. The ACA excise tax will ultimately affect all plans. Due to the variability of the ACA excise tax by plan, the user needs to estimate the impact and the trend. The excise tax could raise the average annual trend rate by 0.5% or more in each year.

	Change in Healthcare Trend Rate		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 1,753,734</u>	<u>\$ 1,897,830</u>	<u>\$ 2,151,691</u>

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

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 an OPEB expense of \$114,022. At June 30, 2020, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 733,557	\$ -
Changes of assumptions and other inputs	<u>96,867</u>	<u>(856,591)</u>
Total	<u>\$ 830,424</u>	<u>\$ (856,591)</u>

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

<u>Year ending June 30,</u>	
2021	\$ 4,703
2022	4,703
2023	27,148
2024	(20,907)
2025	(20,907)
2026	<u>(20,907)</u>
	<u>\$ (26,167)</u>

NOTE 11 – SUBSEQUENT EVENTS

In spring of 2020, the impacts of COVID-19 were being felt in the parish. Due to state emergency declarations and subsequent protocols as well as reduced business activities in the parish, operations of the Clerk were affected. The effect on the financial position of the Clerk during subsequent periods is unknown.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Financial Statements
For the Year Ended June 30, 2020

In late summer 2020, the parish was significantly affected by Hurricanes Laura and Delta. The operations of the Clerk could be negatively impacted by the storms. The impact on the financial position of the Clerk is not known.

Management has evaluated its subsequent events through November 9, 2020, which is the date the financial statements were available to be issued. Management is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 1**JEFFERSON DAVIS PARISH CLERK OF COURT**

Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental revenues	\$ 25,080	\$ 35,050	\$ 38,784	\$ 3,734
Charges for services:				
Court costs and fees	1,223,000	1,000,860	1,031,486	30,626
Certified copies and data processing	36,000	70,000	70,367	367
Licenses	5,000	4,500	4,538	38
Recording fees	341,000	560,000	549,964	(10,036)
Interest earned	6,000	14,500	15,305	805
Other revenues	-	4,400	4,427	27
Total Revenues	1,636,080	1,689,310	1,714,871	25,561
EXPENDITURES				
Judicial	1,455,000	1,416,382	1,420,108	(3,726)
Change in Fund Balance	181,080	272,928	294,763	21,835
Fund Balance, beginning	909,070	909,070	909,070	-
Fund Balance, ending	<u>\$ 1,090,150</u>	<u>\$ 1,181,998</u>	<u>\$ 1,203,833</u>	<u>\$ 21,835</u>

See notes to required supplementary information.

EXHIBIT 2

JEFFERSON DAVIS PARISH CLERK OF COURT

**Schedule of Employer's Proportionate Share
of Net Pension Liability**

Financial Statement Date*	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Proportionate Share of NPL as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
06/30/20	0.69691%	\$ 1,265,587	\$ 673,829	188%	77.9%
06/30/19	0.72359%	\$ 1,203,544	\$ 671,832	179%	79.1%
06/30/18	0.72440%	\$ 1,095,894	\$ 653,463	168%	79.7%
06/30/17	0.75820%	\$ 1,402,650	\$ 692,042	203%	74.2%
06/30/16	0.80226%	\$ 1,203,417	\$ 725,805	166%	78.1%
06/30/15	0.78247%	\$ 1,055,448	\$ 645,711	163%	79.4%

** Net pension liability was actuarially determined as of June 30 of the previous year.*

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

See notes to required supplementary information.

EXHIBIT 3**JEFFERSON DAVIS PARISH CLERK OF COURT****Schedule of Employer Contributions**

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2020	\$ 134,697	\$ 134,697	\$ -	\$ 708,932	19.0%
2019	\$ 128,028	\$ 128,028	\$ -	\$ 673,829	19.0%
2018	\$ 127,648	\$ 127,648	\$ -	\$ 671,832	19.0%
2017	\$ 124,158	\$ 124,158	\$ -	\$ 653,463	19.0%
2016	\$ 131,488	\$ 131,488	\$ -	\$ 692,042	19.0%
2015	\$ 137,903	\$ 137,903	\$ -	\$ 725,805	19.0%

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

See notes to required supplementary information.

EXHIBIT 4

JEFFERSON DAVIS PARISH CLERK OF COURT

**Schedule of Changes in Total OPEB Liability
and Related Ratios**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 46,510	\$ 38,037	\$ 414,720
Interest	62,809	62,648	41,078
Changes in benefit terms	-	-	-
Differences between expected and actual experience	616,800	78,816	393,954
Changes in assumptions	(763,146)	161,445	(506,166)
Benefit payments	<u>(50,615)</u>	<u>(95,219)</u>	<u>(95,219)</u>
Net change in total OPEB liability	(87,642)	245,727	248,367
Net OPEB liability, beginning	<u>1,985,471</u>	<u>1,739,744</u>	<u>1,491,377</u>
Net OPEB liability, ending	<u>\$ 1,897,829</u>	<u>\$ 1,985,471</u>	<u>\$ 1,739,744</u>
Covered employee payroll	<u>\$ 708,932</u>	<u>\$ 673,829</u>	<u>\$ 671,832</u>
Net OPEB liability as a percentage of covered employee payroll	<u>268%</u>	<u>295%</u>	<u>259%</u>

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

See notes to required supplementary information.

JEFFERSON DAVIS PARISH CLERK OF COURT

Notes to the Required Supplementary Information
For the Year Ended June 30, 2020

1. Budgetary Comparison Schedule

The Budgetary Comparison Schedule for the General Fund (Exhibit1) provides a comparison of the original and the final amended budget to actual amounts. The budget is prepared on a basis that is consistent with generally accepted accounting principles (GAAP).

2. Pension Plan

Changes in benefit terms:

A cost of living adjustment (COLA) was granted effective January 1, 2018. There were no other changes in benefit terms.

Change of Assumptions:

There were no changes in actuarial assumptions for the year.

3. Post-Retirement Benefits Other Than Pensions

Changes in benefit terms:

None.

Change of Assumptions:

The discount rate decreased from 3.13% in the prior year to 2.45% in the current year.

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 1

JEFFERSON DAVIS PARISH CLERK OF COURT

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 624,428	\$ 1,394,317	\$ 2,018,745
Investments	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total assets	<u>\$ 824,428</u>	<u>\$ 1,394,317</u>	<u>\$ 2,218,745</u>
LIABILITIES			
Due to others	<u>\$ 824,428</u>	<u>\$ 1,394,317</u>	<u>\$ 2,218,745</u>
Total liabilities	<u>\$ 824,428</u>	<u>\$ 1,394,317</u>	<u>\$ 2,218,745</u>

See independent auditor's report

SCHEDULE 2**JEFFERSON DAVIS PARISH CLERK OF COURT**

Combining Statement of Changes in Due to Others
 Agency Funds
 For the Year Ended June 30, 2020

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ADDITIONS			
Suits and successions	\$ 858,595	\$ 259,757	\$ 1,118,352
Interest income	-	4,746	4,746
Total additions	<u>858,595</u>	<u>264,503</u>	<u>1,123,098</u>
DEDUCTIONS			
Clerk's costs	559,388	-	559,388
Sheriff's fees	71,091	-	71,091
Other costs	70,208	-	70,208
Settlements to litigants	<u>165,664</u>	<u>15,014</u>	<u>180,678</u>
Total deductions	<u>866,351</u>	<u>15,014</u>	<u>881,365</u>
Change in assets and liabilities	(7,756)	249,489	241,733
Due to others-beginning of year	<u>832,184</u>	<u>1,144,825</u>	<u>1,977,009</u>
Due to others-beginning of year	<u>\$ 824,428</u>	<u>\$ 1,394,314</u>	<u>\$ 2,218,742</u>

See independent auditor's report

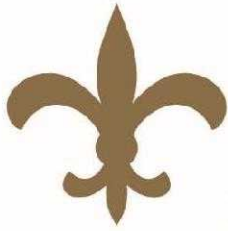
SCHEDULE 3

JEFFERSON DAVIS PARISH CLERK OF COURT

Schedule of Compensation, Benefits, and
Other Payments to Agency Head
For the Year Ended June 30, 2020

	<u>Amount</u>
Richard M. Arceneaux, Clerk of Court	
Salary	\$ 148,229
Deferred compensation	8,894
Benefits - Retirement	28,163
Benefits - Health insurance	18,574
Election fees	2,100
Auto allowance	19,350
Registration/membership fees	450
Per diem	-
Meals and lodging	<u>1,515</u>
 Total compensation, benefits, and other payments	 <u><u>\$ 227,275</u></u>

See independent auditor's report



J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

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 Richard M. Arceneaux
Jefferson Davis Parish Clerk of Court
Jennings, 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, each major fund, and the aggregate remaining fund information of Jefferson Davis Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated November 9, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
November 9draft , 2020

JEFFERSON DAVIS PARISH CLERK OF COURT

Jennings, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

Section I - Summary of Audit Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiency identified not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Management Letter

N/A

Section II – Findings-Financial Statement Audit

There were no current year findings.

Section III – Summary of Prior Year Findings

There were no prior year findings.