

ST. MARTIN PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2021

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Fund description - major fund	9
Balance sheet - governmental fund	10
Reconciliation of the governmental fund balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balance - governmental fund	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities	13
Fund description - fiduciary fund	14
Statement of fiduciary net position - custodial fund	15
Statement of changes in fiduciary net position - custodial fund	16
 Notes to basic financial statements	 17 - 41
 REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	43
Schedule of changes in the clerk's total OPEB liability and related ratios	44
Schedule of employer's share of net pension liability	45
Schedule of employer contributions	46
Notes to the required supplementary information	47

TABLE OF CONTENTS

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule - revenues	49
Budgetary comparison schedule - expenditures	50
Statement of fiduciary net position - custodial fund	51
Statement of changes in fiduciary net position - custodial fund	52
Justice System Funding Reporting Schedules:	
Collecting/Disbursing	53 - 54
Receiving	55
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	57 - 58
Schedule of prior and current audit findings and management's corrective action plan	59 - 62

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INDEPENDENT AUDITORS' REPORT

The Honorable Rebecca Patin
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Report on the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 15 to the financial statements, in 2021, the St. Martin Parish Clerk of Court adopted new accounting guidance, GASB No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in the clerk's total OPEB liability and related ratios, schedule of employer's share of net pension liability, schedule of employer contributions, and notes to the required supplementary information on pages 43 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Martin Parish Clerk of Court's basic financial statements. The budgetary comparison information for the General Fund revenues and expenditures, statement of fiduciary net position – custodial fund, and statement of changes in fiduciary net position – custodial fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Justice System Funding Reporting Schedules (reporting schedules) were created by Act 87 of the Louisiana 2020 Regular Legislative Session. These reporting schedules are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

The budgetary comparison information for the General Fund revenues and expenditures, statement of fiduciary net position – custodial fund, statement of changes in fiduciary net position – custodial fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, on our consideration of the St. Martin Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Martin Parish Clerk of Court's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 17, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,388,973
Cash and interest-bearing deposits-restricted-advance deposit	964,895
Receivables, net	98,034
Due from other governmental units	<u>1,850</u>
Total current assets	<u>3,453,752</u>
Noncurrent assets:	
Capital assets, net	<u>28,538</u>
Total assets	<u>3,482,290</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amount on pension	1,106,921
Deferred amount on postemployment benefit plan	<u>243,971</u>
Total deferred outflows of resources	<u>1,350,892</u>
LIABILITIES	
Current liabilities:	
Accounts payable	24,869
Accrued salaries	16,169
Advance deposit payable	964,895
Capital lease payable	<u>4,092</u>
Total current liabilities	<u>1,010,025</u>
Noncurrent liabilities:	
Capital lease payable	3,125
Compensated absences payable	163,655
Postemployment benefit obligation payable	2,955,697
Net pension liability	<u>2,530,941</u>
Total noncurrent liabilities	<u>5,653,418</u>
Total liabilities	<u>6,663,443</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amount on pension	55,891
Deferred amount on postemployment benefit plan	<u>576,940</u>
Total deferred inflows of resources	<u>632,831</u>
NET POSITION	
Net investment in capital assets	21,321
Unrestricted (deficit)	<u>(2,484,413)</u>
Total net position	<u>\$ (2,463,092)</u>

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

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Statement of Activities
For the Year Ended June 30, 2021

	<u>Governmental Activities</u>
Program expenses:	
General government:	
Personal services and related benefits	\$ 2,142,149
Operating services	385,626
Material and supplies	<u>113,514</u>
Total program expenses	<u>2,641,289</u>
Program revenues:	
Licenses and permits	6,461
Fines, charges, and commissions for services	<u>2,669,319</u>
Total program revenues	<u>2,675,780</u>
Net program revenue	<u>34,491</u>
General revenues:	
Miscellaneous	44,400
Intergovernmental revenue	<u>121,753</u>
Total general revenues	<u>166,153</u>
Change in net position	200,644
Beginning net position	<u>(2,663,736)</u>
Ending net position	<u>\$ (2,463,092)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - MAJOR FUND

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund also accounts for advance deposits on suits filed by litigants which are accounted for on the computer system, as provided by Louisiana Revised Statute 13:842. The advances are refundable to the litigants after all costs have been paid.

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Balance Sheet - Governmental Fund
June 30, 2021

	<u>General Fund</u>
ASSETS	
Cash	\$ 1,617,532
Cash-restricted-advance deposit	400,919
Interest-bearing deposits	771,441
Interest-bearing deposits-restricted-advance deposit	563,976
Receivables:	
Accounts receivable	81,643
Due from other governmental agencies	1,850
Other receivables	<u>8,674</u>
Total assets	<u>\$ 3,446,035</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 24,869
Accrued salaries	16,169
Advance deposit payable	<u>964,895</u>
Total liabilities	<u>1,005,933</u>
Fund balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>2,440,102</u>
Total fund balance	<u>2,440,102</u>
Total liabilities and fund balance	<u>\$ 3,446,035</u>

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

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

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

Total fund balance for the governmental fund at June 30, 2021		\$ 2,440,102
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consists of:		
Buildings, furniture, fixtures, and equipment	\$ 310,464	
Less: Accumulated depreciation	<u>(281,926)</u>	28,538
The deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds:		
Pension plan	1,106,921	
Postemployment benefit obligation	<u>243,971</u>	1,350,892
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. The debt is:		
Capital lease payable	(7,217)	
Compensated absences payable	(163,655)	
Postemployment benefit obligation payable	(2,955,697)	
Net pension liability	<u>(2,530,941)</u>	(5,657,510)
The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds:		
Pension plan	(55,891)	
Postemployment benefit obligation	<u>(576,940)</u>	(632,831)
Recording fees, which are not measurable at year end and therefore are not available soon enough to pay for current period expenditures are not reported in the governmental funds.		<u>7,717</u>
Total net position of governmental activities at June 30, 2021		<u>\$ (2,463,092)</u>

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

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

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

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 6,461
Fees, charges and commissions -	
Court costs, fees and charges	305,929
Fees for recording legal documents	2,112,724
Fees for certified copies	143,811
Miscellaneous	<u>153,355</u>
Total revenues	<u>2,722,280</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	1,836,333
Operating services	372,245
Material and supplies	113,514
Debt service	4,364
Capital outlay	<u>9,920</u>
Total expenditures	<u>2,336,376</u>
Excess of revenues over expenditures	385,904
Other financing sources:	
Proceeds from capital lease	<u>6,000</u>
Net change in fund balance	391,904
Fund balance, beginning	<u>2,048,198</u>
Fund balance, ending	<u>\$ 2,440,102</u>

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

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

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

Total net change in fund balance for the year ended June 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 391,904
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 9,920	
Depreciation expense for the year ended June 30, 2021	<u>(10,735)</u>	(815)

Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price do not affect the statement of revenues, expenditures, and changes in fund balance. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated. (2,846)

Because some revenues are not measurable at year end, they are not considered available in the governmental funds:

Recording fees	(2,100)
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Expenses not requiring the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences payable	(776)	
Net change in post employment benefit obligation payable and related deferreds	(27,991)	
Net change in net pension liability and related deferreds	<u>(155,296)</u>	<u>(184,063)</u>

Principal payments on capital lease are expenditures in the governmental funds but reduce the liability in the statement of net position.

Net change in capital lease payable	<u>(1,436)</u>
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Total change in net position for the year ended June 30, 2021 per Statement of Activities	<u>\$ 200,644</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTION - FIDUCIARY FUND

CUSTODIAL FUND

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.

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Statement of Fiduciary Net Position
Custodial Fund
June 30, 2021

ASSETS	
Interest-bearing deposits	\$ 1,143,206
Accrued interest receivable	<u>16</u>
Total assets	<u>1,143,222</u>
LIABILITIES	
Accounts payable	<u>15,552</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 1,127,670</u>

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

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended June 30, 2021

Additions:	
Judgments	\$ 243,296
Interest	<u>4,253</u>
Total additions	<u>247,549</u>
Deductions:	
Payments of refunds to litigants	827,505
Payments of other	<u>1,144</u>
Total deductions	<u>828,649</u>
Net decrease in net position	(581,100)
Net position, beginning, as restated	<u>1,708,770</u>
Net position, ending	<u>\$ 1,127,670</u>

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

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a 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. A 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 his/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 the last year of the term in office.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. The Fiduciary fund is not included in the GWFS. The Fiduciary fund is reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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. It is used to account for and report all financial resources not accounted for and reported in another fund. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund. The General Fund also accounts for advance deposits on suits filed by litigants.

Additionally, the Clerk of Court reports the following:

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Fiduciary Fund -

The Fiduciary fund is used to report assets held in a trustee or custodial capacity for others and therefore are not available to support the Clerk of Court programs. The Clerk of Court has adopted GASBS No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position.

The Clerk of Court's fiduciary fund is presented in the fiduciary fund financial statements by type (custodial). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The individual custodial fund used by the Clerk of Court for the year ended June 30, 2021 is as follows:

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the governmental fund utilizes the “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on 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.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Basis of Accounting

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

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

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

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court. Interest-bearing deposits are stated at cost, which approximates market.

Receivables

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing capital

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 years
Furniture, fixtures, and equipment	5-10 years

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

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 10 days of sick leave each year. Vacation leave must be used in the year earned; unused vacation leave may be converted to sick leave at year end. Sick leave may be accumulated but is not paid upon termination unless the individual is disabled, deceased, or is approaching retirement. When an employee is approaching retirement, he/she may use accumulated sick leave towards his/her date of retirement. When using accumulated sick leave for this purpose, each accumulated day will be counted as one calendar day (for example: 90 days of accumulated sick leave is equal to 3 months toward the date of retirement). An employee may use a maximum of 90 days of accumulated sick leave and is paid by the Clerk's office for these days. Any days over the 90 days will be lost.

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences payable, other post employment benefits payable, capital lease payable, and net pension liability.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance of the governmental fund is classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Clerk of Court. The Clerk of Court is the highest level of decision-making authority for the St. Martin Parish Clerk of Court.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk of Court's policy, only the Clerk of Court may assign amounts for specific purposes.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Unassigned – all other spendable amounts.

As of June 30, 2021, fund balances are composed of the following:

	General Fund
Nonspendable:	\$ -
Restricted:	-
Committed:	-
Assigned:	-
Unassigned:	2,440,102
Total fund balances	\$ 2,440,102

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

E. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the direct write-off method is not in conformity with generally accepted accounting principles (GAAP), the difference between the two methods is not material to the financial statements.

F. Use of Estimates

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

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or 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 of Court has cash and interest-bearing deposits (book balances) totaling \$4,497,074 of which \$1,143,206 is attributable to the fiduciary fund, which is not presented in the statement of net position.

Demand deposits	\$ 2,859,944
Time deposits	<u>1,637,130</u>
Total	<u>\$ 4,497,074</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2021 are secured as follows:

Bank balances	<u>\$ 5,050,848</u>
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At June 30, 2021 the deposits are secured as follows:

Federal deposit insurance	\$ 1,670,294
Pledged securities	<u>3,380,554</u>
Total	<u>\$ 5,050,848</u>

Deposits in the amount of \$3,380,554 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Clerk of Court's name. The Clerk of Court does not have a policy for custodial credit risk.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2021 consisted of the following:

Louisiana Clerk of Court - Clerk's Supplemental Fund	\$ <u>1,850</u>
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(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 is as follows:

	Balance 07/01/20	Additions	Deletions	Balance 06/30/21
Assets being depreciated:				
Buildings, furniture, fixtures and equipment	\$ 292,121	\$ 3,920	\$ -	\$ 296,041
Copiers - capital lease	<u>16,184</u>	<u>6,000</u>	<u>(7,761)</u>	<u>14,423</u>
Total	<u>308,305</u>	<u>9,920</u>	<u>(7,761)</u>	<u>310,464</u>
Less: accumulated depreciation				
Buildings, furniture, fixtures and equipment	269,214	7,821	-	277,035
Copiers - capital lease	<u>6,892</u>	<u>2,914</u>	<u>(4,915)</u>	<u>4,891</u>
Total	<u>276,106</u>	<u>10,735</u>	<u>(4,915)</u>	<u>281,926</u>
Net capital assets	<u>\$ 32,199</u>	<u>\$ (815)</u>	<u>\$ (2,846)</u>	<u>\$ 28,538</u>

Depreciation expense of \$10,735 was charged to the general government function.

(5) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the St. Martin Parish Clerk of Court for the year ended June 30, 2021. In the past, payments on long-term liabilities pertained to the Clerk of Court's governmental activities and were made by the general fund.

	Compensated Absences	Copier Capital Lease	Total
Long-term liabilities, July 1, 2020	\$ 162,879	\$ 5,781	\$ 168,660
Debt assumed	776	6,000	6,776
Debt retired	<u>-</u>	<u>(4,564)</u>	<u>(4,564)</u>
Long-term liabilities, June 30, 2021	<u>\$ 163,655</u>	<u>\$ 7,217</u>	<u>\$ 170,872</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Long-term debt at June 30, 2021 is comprised of the following:

Copier Capital Lease:

\$8,423 capital lease on Konica Minolta BizHub 654e Digital Copier, due in monthly installments of \$216; due from March 28, 2019 to June 28, 2022	\$ 2,592
\$6,000 capital lease on Konica Minolta BizHub 458 Digital Copier, due in monthly installments of \$125; due from August 5, 2020 to July 5, 2024	4,625
Long-term debt at June 30, 2021	\$ 7,217

The annual requirements to amortize all debt outstanding at June 30, 2021 are as follows:

Year Ending June 30	
2022	\$ 4,092
2023	1,500
2024	1,500
2025	125
Total	\$ 7,217

(6) Operating Leases

Rental expense for the year ended June 30, 2021 was \$34,272. The Clerk of Court had the following noncancelable operating lease agreements in effect during the year ended June 30, 2021:

Description	Balance Term	Expiration Date	Payment Frequency	Lease Amount
Folding machine	5 years	05/2022	monthly	\$ 97
Plat Scanner	3.25 years	09/2022	monthly	399
Konica machine	4 years	12/2022	monthly	323
Konica machine	4 years	10/2024	monthly	287
Postage machine	5 years	03/2025	quarterly	1,002
Xerox machine	5 years	03/2026	monthly	536

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

The minimum future payments for these agreements are as follows:

Year Ending June 30	
2022	\$ 23,520
2023	16,697
2024	13,885
2025	10,587
2026	5,360
Total	<u>\$ 70,049</u>

(8) Deferred Compensation Plan

Certain employees of the 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 Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(9) Risk Management

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

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

The Clerk of Court's office is located in the St. Martin Parish Courthouse Annex. The St. Martin Parish Government pays for the upkeep and maintenance of the courthouse annex. These expenditures are not reflected in the accompanying financial statements.

(11) Litigation

There is no litigation pending against the Clerk of Court at June 30, 2021.

(12) Post-Employment Health Care and Life Insurance Benefits

Plan description: The St. Martin Parish Clerk of Court'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

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Benefits provided: The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 50% of retiree and 60% of dependent pre-Medicare health, Medicare Advantage, dental and vision insurance premiums. The plan also provides for payment of 50% of retiree life insurance premiums. Retirees with at least 20 years of service are eligible for payment of 100% of retiree and 60% of dependent premiums by the Clerk.

Employees Covered by Benefit Terms: At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	<u>25</u>
Total	<u>38</u>

Total OPEB Liability

The Clerk’s total OPEB liability of \$2,955,697 was measured as of June 30, 2021 and was determined by an actuarial valuation as of January 1, 2020.

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:

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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 - Retirees with less than 20 years of service:	
Medical:	50% for retirees and 60% for dependents.
Medicare Advantage:	50% for retirees and 60% for dependents.
Dental:	50% for retirees and 60% for dependents.
Vision:	50% for retirees and 60% for dependents.
Basic Life Insurance:	50%
Retirees' Share of Benefit-Related Costs - Retirees with at least 20 years of service:	
Medical:	0% for retirees and 60% for dependents.
Medicare Advantage:	0% for retirees and 60% for dependents.
Dental:	0% for retirees and 60% for dependents.
Vision:	0% for retirees and 60% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the 6/30/2021 Fidelity General Obligation AA 20-Year Yield.

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

Mortality rates for retired employees were based on the PubG.H-2010 Healthy 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 those used in the Louisiana Clerks of Court Retirement and Relief fund valuation and actuarial experience.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Changes in Total OPEB Liability

Balance at June 30, 2020	<u>\$ 2,799,524</u>
Changes for the year:	
Service cost	58,446
Interest	69,286
Differences between expected and actual experience	(33,816)
Changes in assumptions/inputs	122,162
Change in benefit terms	-
Benefit payments	(59,905)
Administrative expense	<u>-</u>
Net changes	<u>156,173</u>
Balance at June 30, 2021	<u>\$ 2,955,697</u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB Liability	<u>\$ 3,401,313</u>	<u>\$ 2,955,697</u>	<u>\$ 2,518,526</u>

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 2,611,345</u>	<u>\$ 2,955,697</u>	<u>\$ 3,337,617</u>

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

For the year ended June 30, 2021, the Clerk recognized an OPEB expense of \$87,898. At June 30, 2021, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 16,053	\$ 138,763
Changes of assumptions and other inputs	227,918	438,177
Total	\$ 243,971	\$ 576,940

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

Year Ended	
June 30	
2022	\$ (39,835)
2023	(39,835)
2024	(39,835)
2025	(40,569)
2026	(43,224)
Thereafter	(129,671)
	\$ (332,969)

(13) Pension Plan / GASB 68

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

Summary of Significant Accounting Policies:

The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer pension schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The Louisiana Clerks' of Court Retirement and Relief Fund's employer pension schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The members' earnable compensation is attributed to the employer for which the member is employed as of June 30, 2020.

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Pension Amount Netting:

The deferred outflows and deferred inflows of resources attributable to differences between projected and actual earnings on pension plan investments recorded in different years are netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows are not presented on a net basis.

Plan Description:

The St. Martin Parish Clerk of Court participates in the Louisiana Clerks' of Court Retirement and Relief Fund cost-sharing multiple-employer defined benefit pension plan. 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.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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 12 or more years of credited service, attaining the age of 55 years (age 60 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3½% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability Benefits:

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

Survivor Benefits:

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced ¼ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid ½ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Deferred Retirement Option Plan (DROP):

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

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

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

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Cost-of-Living Adjustments (COLAs):

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

Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 19%. The employer contributed \$229,062 during the fiscal year ending June 30, 2021.

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 in the amount of \$121,753 and excluded from pension expense for the year ended June 30, 2021.

Schedule of Employer Allocations:

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentages for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Louisiana Clerks' of Court Retirement and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contribution to the Fund during the fiscal year ended June 30, 2020, as compared to the total of all employers' contribution received by the Fund during the fiscal year ended June 30, 2020.

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

At June 30, 2021, the Clerk of Court reported a liability of \$2,530,941 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 of Court's proportion of the net pension liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Clerk of Court's proportion was 1.051988% which was an increase of .034821% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Clerk of Court recognized pension expense of \$506,109 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$2.

At June 30, 2021, the Clerk of Court 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 experiences	\$ 31,623	\$ 31,307
Changes of assumptions	224,473	-
Net difference between projected and actual earnings on pension plan investments	542,445	-
Change in proportion and differences between employer contributions and proportionate share of contributions	79,318	24,584
Employer contributions subsequent to the measurement date	229,062	-
Total	\$ 1,106,921	\$ 55,891

Deferred outflows of resources of \$229,062 related to pensions resulting from the Clerk of Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ended			
6/30/2022		\$	197,779
6/30/2023			250,622
6/30/2024			218,854
6/30/2025			154,713
		\$	821,968

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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.

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
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	1 - 5 years of service - 6.2% 5 years or more - 5%
Inflation Rate	2.50%
Mortality Rates	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale.
Expected Remaining Service Lives	2020 - 5 years 2019 - 5 years 2018 - 5 years 2017 - 5 years 2016 - 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 through June 30, 2019, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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 6.18%, for the year ended June 30, 2020. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2020, is summarized in the following table:

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

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.

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, 2021:

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

	Changes in Discount Rate		
	1%	Current	1%
	Decrease 5.75%	Discount Rate 6.75%	Increase 7.75%
Employer's proportionate share of the net pension liability	\$ 3,531,892	\$ 2,530,941	\$ 1,687,265

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2021, were recognized in the current reporting period as pension expense except as follows:

A. Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The differences between expected and actual experience resulted in a deferred outflow of resources in the amount of \$31,623 and a deferred inflow of resources in the amount of \$31,307 for the year ended June 30, 2021.

B. Changes of Assumptions or Other Inputs:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$224,473 for the year ended June 30, 2021.

C. Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The differences between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$542,445 for the year ended June 30, 2021.

D. Changes in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The changes in proportion resulted in a deferred outflow of resources in the amount of \$79,318 and a deferred inflow of resources in the amount of \$24,584 for the year ended June 30, 2021.

Contributions – Proportionate Share:

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Retirement System Audit Report:

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov.

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

(14) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the St. Martin Parish Clerk of Court is required to disclose the compensation, reimbursements, benefits, and other payments made to the clerk, in which the payments are related to the position. The following is a schedule of payments made to the clerk for the year ended June 30, 2021:

Entity head: Rebecca Patin, Clerk of Court

Salary	\$ 161,999
Benefits-insurance	8,329
Benefits-retirement	47,385
Benefits-deferred compensation	8,100
Car allowance	23,904
Per diem	600
Registration fees	600
Election expense	2,400
Total	<u>\$ 253,317</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(15) Restatement of Net Position

In January of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The St. Martin Parish Clerk of Court adopted this standard in the year ended June 30, 2021. Prior to the adoption of GASB 84, the St. Martin Parish Clerk of Court had two custodial funds (Advance Deposit and Registry of the Court). As a result of the implementation of GASB 84, the advance deposit activities were moved into the General Fund. The Registry of the Court fund remains as a custodial fund.

As a result of implementation, net position was restated as follows:

Net position at June 30, 2020	\$ -
Restatement due to implementation of GASB 84	<u>1,708,770</u>
Net position at June 30, 2020, restated	<u>\$ 1,708,770</u>

(16) Risks and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty about the duration of and the implications of the closings. The St. Martin Parish Clerk of Court expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,500	\$ 6,461	\$ 961
Fees, charges and commissions -				
Court costs, fees and charges	290,000	304,000	305,929	1,929
Fees for recording legal documents	1,792,000	1,988,000	2,112,724	124,724
Fees for certified copies	95,000	119,500	143,811	24,311
Miscellaneous	92,000	125,800	153,355	27,555
Total revenues	<u>2,274,000</u>	<u>2,542,800</u>	<u>2,722,280</u>	<u>179,480</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,795,672	1,856,772	1,836,333	20,439
Operating services	371,000	393,500	372,245	21,255
Material and supplies	102,500	142,500	113,514	28,986
Debt service	-	-	4,364	(4,364)
Capital outlay	-	-	9,920	(9,920)
Total expenditures	<u>2,269,172</u>	<u>2,392,772</u>	<u>2,336,376</u>	<u>56,396</u>
Excess of revenues over expenditures	<u>4,828</u>	<u>150,028</u>	<u>385,904</u>	<u>235,876</u>
Other financing sources:				
Proceeds from capital lease	-	-	6,000	6,000
Net change in fund balance	4,828	150,028	391,904	241,876
Fund balance, beginning of year	<u>1,847,851</u>	<u>2,048,198</u>	<u>2,048,198</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,852,679</u>	<u>\$ 2,198,226</u>	<u>\$ 2,440,102</u>	<u>\$ 241,876</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, 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	\$ 37,958	\$ 37,005	\$ 20,934	\$ 58,446
Interest	79,508	69,294	102,391	69,286
Changes of benefit terms	-	1,050,600	-	-
Differences between expected and actual experience	5,137	(190,234)	17,314	(33,816)
Changes in assumptions or other inputs	-	208,825	(547,720)	122,162
Benefit payments	(91,781)	(116,496)	(87,503)	(59,905)
Net change in total OPEB liability	<u>30,822</u>	<u>1,058,994</u>	<u>(494,584)</u>	<u>156,173</u>
Total OPEB liability - beginning	<u>2,204,292</u>	<u>2,235,114</u>	<u>3,294,108</u>	<u>2,799,524</u>
Total OPEB liability - ending	<u>\$ 2,235,114</u>	<u>\$ 3,294,108</u>	<u>\$ 2,799,524</u>	<u>\$ 2,955,697</u>
Covered employee payroll	\$ 906,164	\$ 935,614	\$ 1,048,304	\$ 1,082,374
Total OPEB liability as a percentage of covered employee payroll	246.7%	352.1%	267.1%	273.1%

Notes to Schedule:

Changes of Benefit Terms:

Effective January 1, 2019, benefits are mandated for retirees with at least 20 years of service at retirement. The Clerk pays 100% of the retiree premiums and 40% of the dependent premium. For retirees with less than 20 years, the Clerk pays 50% of the retiree premium and 40% of the dependent premium.

Changes of Assumptions:

The following are the discount rates used in each period:

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

Mortality Rates

2018	RPH-2014 Employee & Healthy Annuity, Generational with MP-2018.
2019	PubG.H-2010 Employee & Healthy Retiree, Generational with MP-2018.
2020	PubG.H-2010 Employee & Healthy Retiree, Generational with MP-2019.
2021	PubG.H-2010 Employee & Healthy Retiree, Generational with MP-2020.

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

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2021

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered 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
2015	0.989787%	\$ 1,335,086	\$ 876,771	152.27%	79.37%
2016	1.022974%	1,534,493	925,482	165.80%	78.13%
2017	1.008596%	1,865,877	922,057	202.36%	74.17%
2018	1.020862%	1,544,497	920,952	167.71%	79.69%
2019	0.977582%	1,626,013	907,667	179.14%	79.07%
2020	1.017167%	1,847,167	989,029	186.77%	77.93%
2021	1.051988%	2,530,941	1,043,099	242.64%	72.09%

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

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

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2021

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 162,203	\$ 164,730	\$ (2,527)	\$ 925,482	17.80%
2016	175,842	175,902	(60)	922,057	19.08%
2017	174,912	174,982	(70)	920,952	19.00%
2018	175,071	172,457	2,614	907,667	19.00%
2019	172,491	187,916	(15,425)	989,029	19.00%
2020	188,037	198,189	(10,152)	1,043,099	19.00%
2021	198,396	229,062	(30,666)	1,090,772	21.00%

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

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

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

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

(2) Pension Plan

Changes of Assumptions-Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

(3) Post Employment Health Insurance Plan

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate decreased to 1.92% from 2.45% since the previous valuation.

OTHER SUPPLEMENTARY INFORMATION

St. Martin Parish Clerk of Court
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 5,000	\$ 5,500	\$ 6,461	\$ 961
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	75,000	55,000	62,604	7,604
Qualifying fees	12,000	16,400	16,405	5
Police jury fees	33,000	40,000	43,080	3,080
UCC fees	24,000	19,000	16,932	(2,068)
Portal fees	44,000	50,000	53,535	3,535
Other	<u>102,000</u>	<u>123,600</u>	<u>113,373</u>	<u>(10,227)</u>
Total court costs, fees and charges	<u>290,000</u>	<u>304,000</u>	<u>305,929</u>	<u>1,929</u>
Fees for recording legal documents:				
Recordings	795,000	950,000	867,290	(82,710)
Cancellations	70,000	75,000	80,397	5,397
Mortgage certificates	12,000	13,000	12,843	(157)
Suits and successions	<u>915,000</u>	<u>950,000</u>	<u>1,152,194</u>	<u>202,194</u>
Total fees for recording legal documents	<u>1,792,000</u>	<u>1,988,000</u>	<u>2,112,724</u>	<u>124,724</u>
Certified copies	<u>95,000</u>	<u>119,500</u>	<u>143,811</u>	<u>24,311</u>
Miscellaneous:				
Interest earned	1,500	800	3,581	2,781
Online research and subscriptions	52,500	87,500	112,760	25,260
Other	<u>38,000</u>	<u>37,500</u>	<u>37,014</u>	<u>(486)</u>
Total miscellaneous	<u>92,000</u>	<u>125,800</u>	<u>153,355</u>	<u>27,555</u>
Total revenues	<u>\$2,274,000</u>	<u>\$2,542,800</u>	<u>\$2,722,280</u>	<u>\$ 179,480</u>

St. Martin Parish Clerk of Court
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
General government:				
Personnel services and related benefits -				
Salaries:				
Clerk	\$ 122,672	\$ 122,672	\$ 122,671	\$ 1
Clerk's supplemental fund	24,600	24,600	24,600	-
Deputy clerks	862,000	905,000	913,459	(8,459)
Other	90,000	90,000	94,269	(4,269)
Clerk's expense allowance	16,000	16,000	14,727	1,273
Clerk's vehicle allowance	26,000	24,000	23,904	96
Group insurance	270,000	275,000	250,286	24,714
Pension and payroll taxes	339,400	351,500	344,356	7,144
Deferred compensation	45,000	48,000	48,061	(61)
Total personnel services and related benefits	<u>1,795,672</u>	<u>1,856,772</u>	<u>1,836,333</u>	<u>20,439</u>
Operating services -				
Professional fees	115,000	120,000	112,456	7,544
Insurance	30,000	32,500	14,893	17,607
Election expense allowance	3,000	3,000	3,004	(4)
Postage	24,000	24,000	24,342	(342)
Marriage license	2,000	3,000	2,765	235
Telephone	55,000	52,000	50,913	1,087
UCC fees	4,000	-	-	-
Travel	10,000	9,000	338	8,662
Filing fees	65,000	65,000	58,717	6,283
Repairs and maintenance	21,000	20,000	50,211	(30,211)
General refunds	7,000	7,500	5,695	1,805
Police jury fees	30,000	45,000	41,426	3,574
Records preservation expense	5,000	12,500	7,485	5,015
Total operating services	<u>371,000</u>	<u>393,500</u>	<u>372,245</u>	<u>21,255</u>
Materials and supplies -				
Office supplies and expense	101,000	138,500	110,085	28,415
Dues and subscriptions	1,500	4,000	3,429	571
Total materials and supplies	<u>102,500</u>	<u>142,500</u>	<u>113,514</u>	<u>28,986</u>
Debt service	-	-	4,364	(4,364)
Capital outlay	-	-	9,920	(9,920)
Total expenditures	<u>\$ 2,269,172</u>	<u>\$ 2,392,772</u>	<u>\$ 2,336,376</u>	<u>\$ 56,396</u>

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Statement of Fiduciary Net Position
Custodial Fund
June 30, 2021

	<u>Registry of Court</u>
ASSETS	
Interest-bearing deposits	\$1,143,206
Accrued interest receivable	<u>16</u>
Total assets	<u>1,143,222</u>
LIABILITIES	
Accounts payable	<u>15,552</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>\$1,127,670</u>

St. Martin Parish Clerk of Court
St. Martinville, Louisiana

Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended June 30, 2021

	<u>Registry of Court</u>
Additions:	
Judgments	\$ 243,296
Interest	<u>4,253</u>
Total additions	<u>247,549</u>
Deductions:	
Payments of refunds to litigants	827,505
Payments of other	<u>1,144</u>
Total deductions	<u>828,649</u>
Net decrease in net position	(581,100)
Net position, beginning, as restated	<u>1,708,770</u>
Net position, ending	<u>\$ 1,127,670</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
Cash Basis Presentation
June 30, 2021

	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 6/30/21
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 1,350,159	\$ 1,072,732
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	847,809	933,452
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Other	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	562	5,748
Subtotal Collections	\$ 848,371	\$ 939,200
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
St. Martin Parish Sheriff - Civil Fees	\$ 57,797	\$ 53,509
East Baton Rouge Sheriff - Civil Fees	11,256	12,686
St. Tammany Parish Sheriff - Civil Fees	356	278
Jefferson Parish Sheriff - Civil Fees	565	1,320
Allen Parish Sheriff - Civil Fees	20	44
Lafayette Parish Sheriff - Civil Fees	15,195	15,200
Caddo Parish Sheriff - Civil Fees	25	208
Calcasieu Parish Sheriff - Civil Fees	886	736
Iberia Parish Sheriff - Civil Fees	3,020	3,844
Orleans Parish Sheriff - Civil Fees	1,450	590
St. Landry Parish Sheriff - Civil Fees	1,261	726
St. Mary Parish Sheriff - Civil Fees	271	576
Terrebonne Parish Sheriff - Civil Fees	293	104
Vermilion Parish Sheriff - Civil Fees	-	280
Lafourche Parish Sheriff - Civil Fees	94	-
Livingston Parish Sheriff - Civil Fees	210	69
Rapides Parish Sheriff - Civil Fees	36	186
Vernon Parish Sheriff - Civil Fees	76	113
St. James Parish Sheriff - Civil Fees	-	23
Avoyelles Parish Sheriff - Civil Fees	79	105
Evangeline Parish Sheriff - Civil Fees	101	71
Morehouse Parish Sheriff - Civil Fees	38	64
Tangipahoa Parish Sheriff - Civil Fees	52	52

(continued)

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
Cash Basis Presentation
June 30, 2021

	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 6/30/21
<i>Bienville Parish Sheriff - Civil Fees</i>	-	40
<i>Bossier Parish Sheriff - Civil Fees</i>	95	47
<i>Jefferson Davis Parish Sheriff - Civil Fees</i>	60	-
<i>Concordia Parish Sheriff - Civil Fees</i>	-	51
<i>Lasalle Parish Sheriff - Civil Fees</i>	-	95
<i>Sabine Parish Sheriff - Civil Fees</i>	152	72
<i>St. Charles Parish Sheriff - Civil Fees</i>	-	89
<i>Ascension Parish Sheriff - Civil Fees</i>	346	-
<i>Assumption Parish Sheriff - Civil Fees</i>	165	-
<i>Iberville Parish Sheriff - Civil Fees</i>	72	-
<i>Beauregard Parish Sheriff - Civil Fees</i>	150	-
<i>Caldwell Parish Sheriff - Civil Fees</i>	30	-
<i>Claiborne Parish Sheriff - Civil Fees</i>	60	-
<i>Lincoln Parish Sheriff - Civil Fees</i>	32	-
<i>Plaquemines Parish Sheriff - Civil Fees</i>	60	-
<i>St. Martin Parish Government - Civil Fees</i>	19,982	18,650
<i>Judicial Expense Fund - Civil Fees</i>	17,683	21,395
<i>Louisiana Supreme Court - Civil Fees</i>	956	886
<i>Louisiana Court of Appeals - Civil Fees</i>	337	1,346
<i>Louisiana Secretary of State - Civil Fees</i>	7,475	8,550
<i>Louisiana State Treasurer - Civil Fees</i>	20,199	21,509
<i>Louisiana Commissioner of Insurance - Civil Fees</i>	-	6
<i>State of Louisiana - Civil Fees</i>	246	-
<i>Louisiana Department of Treasury - Civil Fees</i>	18,747	7,597
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
St. Martin Parish Clerk of Court - Civil Fees	546,466	616,877
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	383,824	255,874
Bond Fee Refunds	-	-
Other Disbursements to Individuals (additional detail is not required)	14,294	13,849
Payments to 3rd Party Collection/Processing Agencies	1,286	1,856
Subtotal Disbursements/Retainage	\$ 1,125,798	\$ 1,059,573
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 1,072,732	\$ 952,359
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	\$ -	\$ -
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	\$ -	\$ -
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	\$ -	\$ -

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Justice System Funding Schedule - Receiving Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
Cash Basis Presentation
June 30, 2021

First Six Month Period Ended 12/31/20	Second Six Month Period Ended 6/30/21
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Receipts From: *(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)*

<i>St. Martin Parish Sheriff, Criminal Court Costs/Fees</i>	\$ 23,190	\$ 37,496
<i>St. Martin Parish Sheriff, Bond Fees</i>	650	1,006
<i>Sixteenth Judicial District Attorney, Asset Forfeiture/Sale</i>	1,136	781
Subtotal Receipts	\$ 24,976	\$ 39,283

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

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

**INTERNAL CONTROL
AND
COMPLIANCE**

Champagne & Company, LLC

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

The Honorable Rebecca Patin
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin 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 St. Martin Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Martin Parish Clerk of Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Martin Parish Clerk of Court'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 and therefore, material weaknesses or significant deficiencies may exist

that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as items 2021-001 and 2021-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as item 2021-003.

St. Martin Parish Clerk of Court's Response to Findings

The St. Martin Parish Clerk of Court's response to the findings identified in our audit is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. The St. Martin Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 17, 2021

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

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

I. Prior Year Findings:

Internal Control Over Financial Reporting

2020-001 – Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 2021-001.

2020-002 – Inadequate Controls over Financial Statement Preparation

Finding:

The Clerk of Court's office does not have a staff person who has the qualifications and training to apply generally accepting accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Status:

Unresolved. See item 2021-002.

Compliance

2020-003 – Noncompliance with R.S. 13:842 (Advance Costs)

Finding:

The Clerk of Court did not refund advance deposits on suits that have been completely inactive for 5 years or more.

Status:

Unresolved. See item 2021-003.

Management Letter Items

There were no items reported at June 30, 2020.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan
For the Year Ended June 30, 2021 (continued)

II. Current Year Findings and Management Corrective Action Plan:

Internal Control Over Financial Reporting

2021-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred – Unknown

Condition and Criteria:

The Clerk of Court did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Clerk of Court.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Ms. Rebecca Patin, Clerk of Court, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2021-002 – Inadequate Controls over Financial Statement Preparation; Year Initially Occurred – Unknown

Condition and Criteria:

The Clerk of Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Effect:

This condition represents a material weakness in the internal control of the Clerk of Court.

(continued)

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2021

Cause:

The condition resulted because Clerk of Court personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Clerk of Court should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Ms. Rebecca Patin, Clerk of Court, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance

2021-003 – Noncompliance with R.S. 13:842 (Advance Costs); Year Initially Occurred – 2017

Condition and Criteria:

The Clerk of Court did not refund advance deposits on suits that have been completely inactive for 5 years or more.

Effect:

This condition represents a noncompliance issue of the Clerk of Court.

Cause:

The condition resulted because the Clerk of Court was unaware that these inactive suits were required by law to be refunded to the person who made the original deposit.

Recommendation:

The Clerk of Court should research all inactive suits of five years or greater and refund these deposits to the individual who made the original deposit.

(continued)

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2021

Management's Corrective Action Plan:

Ms. Rebecca Patin, Clerk of Court, has started researching these inactive suits and has begun refunding these deposits to the individual who made the original deposit.

Management Letter Items

There are no items reported at June 30, 2021.