

**NATCHITOCHE PARISH CLERK OF COURT
NATCHITOCHE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

Natchitoches Parish Clerk of Court
Natchitoches, Louisiana

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Natchitoches Parish Clerk of Court
Natchitoches, Louisiana

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Natchitoches Parish Clerk of Court

P. O. Box 476
Natchitoches, LA 71458-0476

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2020

The Management's Discussion and Analysis of the Natchitoches Parish Clerk of Court's financial performance presents a narrative overview and analysis of the Clerk of Court's financial activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Clerk of Court's financial statements, which begin on page 11.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Clerk as a whole and present a longer-term view of the Clerk of Court's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

- 1) The Natchitoches Parish Clerk of Court had cash and investments of \$1,760,586 at June 30, 2020, which represents an increase of \$47,872 from the prior year.
- 2) The Natchitoches Parish Clerk of Court had accounts receivable of \$86,102 at June 30, 2020, which represents an increase of \$15,659 from the prior year.
- 3) The Natchitoches Parish Clerk of Court had accounts payable and accruals of \$9,546 at June 30, 2020, which represents a decrease of \$12,146 from the prior year.
- 4) The Natchitoches Parish Clerk of Court had total revenues of \$1,616,069 for the year ended June 30, 2020, which represents a decrease of \$87,117 from the prior year.
- 5) The Natchitoches Parish Clerk of Court had personnel services expense of \$1,180,792 for the year ended June 30, 2020, which represents an increase of \$39,712 from the prior year.
- 6) The Natchitoches Parish Clerk of Court had operating services expense of \$182,161 for the year ended June 30, 2020, which represents an increase of \$252 from the prior year.
- 7) The Natchitoches Parish Clerk of Court had supplies expense of \$127,024 for the year ended June 30, 2020, which represents a decrease of \$4,671 from the prior year.

Overview of the Financial Statements

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

Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information (Other than MD&A)

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

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position (on page 11) and the Statement of Activities (on page 12) provide information about the activities of the Natchitoches Parish Clerk of Court as a whole and present a longer-term view of the Clerk of Court's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The Statement of Net Position and the Statement of Activities report the Clerk of Court's net position and changes in it.

Fund financial statements start on page 14. All of the Clerk of Court's basic services are reported in a governmental fund, which focus on how money flows into and out of this fund and the balances left at year end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short term view of the Clerk of Court's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's activities as well as what remains for future spending.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2020</u>	<u>2019</u>
ASSETS:		
Current and Other Assets, Net of Allowance for Doubtful Accounts	\$1,891,093	\$1,804,220
Capital Assets, Net	<u>87,125</u>	<u>67,820</u>
Total Assets	<u>\$1,978,218</u>	<u>\$1,872,040</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 835,073</u>	<u>\$ 421,052</u>
LIABILITIES:		
Accounts Payable	\$ 9,546	\$ 10,335
Payroll & Related Liabilities	0	11,357
Compensated Absences	11,225	13,691
Other Post-Employment Benefits	1,076,515	1,638,301
Net Pension Liability	<u>1,087,461</u>	<u>958,334</u>
Total Liabilities	<u>\$2,184,747</u>	<u>\$2,632,018</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 933,465</u>	<u>\$ 48,578</u>
NET POSITION:		
Net Investment in Capital Assets Unrestricted	\$ 87,125 <u>(392,046)</u>	\$ 67,820 <u>(455,324)</u>
Total Net Position	<u>\$ (304,921)</u>	<u>\$ (387,504)</u>

Net position of the Natchitoches Parish Clerk of Court increased by \$82,583 or 21% from the previous fiscal year.

Summary of Statement of Activities

	<u>2020</u>	<u>2019</u>
REVENUES:		
Charges for Services	\$1,482,222	\$1,552,313
Operating Grants & Contributions	55,600	79,243
General Revenues	<u>78,247</u>	<u>71,630</u>
Total Revenues	\$1,616,069	\$1,703,186
EXPENDITURES:		
Expenses	<u>1,533,486</u>	<u>1,497,572</u>
Change in Net Position	<u>\$ 82,583</u>	<u>\$ 205,614</u>

The Natchitoches Parish Clerk of Court's total revenues decreased by \$87,117 or 5% from the previous year. The total cost of all programs and services increased by \$35,914 or 2%.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2020, the Natchitoches Parish Clerk of Court had \$87,125, net of depreciation, invested in a broad range of capital assets (see table below). This amount represents a net increase (including additions and deductions) of \$19,305 or 28% from the previous year.

	Capital Assets at Year End (Net of Depreciation)	
	<u>2020</u>	<u>2019</u>
Furniture, Fixtures and Equipment	<u>\$87,125</u>	<u>\$67,820</u>

This year there were \$43,311 in additions and no retirements.

Debt

The Natchitoches Parish Clerk of Court had \$11,225 in compensated absences, \$1,076,515 in other post-employment benefits and \$1,087,461 in net pension liability outstanding at year end. This represents differences of \$(2,466), \$(561,786) and \$129,127, respectively, as compared to the previous year.

Variations between Final Budgets and Actual Amounts

Actual revenues were \$95,724 more than budgeted amounts due to fees being more than expected.

Actual expenditures were \$58,215 more than budgeted amount due to increases in operating services and additional capital expenditure purchases.

Economic Factors and Next Year's Budget

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

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

The Natchitoches Parish Clerk of Court does not expect any significant changes in next year's results as compared to the current year.

Contacting the Natchitoches Parish Clerk of Court

This financial report is designed to provide our citizens and creditors with a general overview of the Natchitoches Parish Clerk of Court's finances and to show the Clerk of Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Natchitoches Parish Clerk of Court at P. O. Box 476, Natchitoches, LA 71458-0476.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Honorable David Stamey
Natchitoches Parish Clerk of Court
P. O. Box 476
Natchitoches, Louisiana 71458-0476

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the Natchitoches Parish Clerk of Court, a component unit of the Natchitoches Parish Government, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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 an opinion 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 and the *Louisiana Governmental Audit Guide*. 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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 Management's Discussion and Analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Compensation and Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratio and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 22, 2020

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Clerk of Court
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$1,760,586
Revenue Receivable, Net of Allowance for Doubtful Accounts	86,102
Prepaid Expense	<u>44,405</u>
Total Current Assets	\$1,891,093
Noncurrent Assets:	
Capital Assets, Net	<u>87,125</u>
Total Assets	<u>\$1,978,218</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension	\$ 351,676
OPEB	<u>483,397</u>
Total Deferred Outflows of Resources	<u>\$ 835,073</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ <u>9,546</u>
Noncurrent Liabilities:	
Compensated Absences	\$ 11,225
Other Post-Employment Benefits	1,076,515
Net Pension Liability	<u>1,087,461</u>
Total Noncurrent Liabilities	<u>\$2,175,201</u>
Total Liabilities	<u>\$2,184,747</u>
DEFERRED INFLOWS OF RESOURCES:	
Pension	\$ 24,834
OPEB	<u>908,631</u>
Total Deferred Inflows of Resources	<u>\$ 933,465</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 87,125
Unrestricted	<u>(392,046)</u>
Total Net Position	<u>\$ (304,921)</u>

See independent auditors' report and the notes to the financial statements.

Natchitoches Parish Clerk of Court
Statement of Activities
June 30, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial-					
Personnel Services	\$1,180,792	\$1,141,319	\$24,600	\$0	\$ (14,873)
Travel	14,559	14,072	0	0	(487)
Operating Services	182,161	176,071	31,000	0	24,910
Supplies	127,024	122,778	0	0	(4,246)
Professional Services	<u>28,950</u>	<u>27,982</u>	<u>0</u>	<u>0</u>	<u>(968)</u>
Total Governmental Activities	<u>\$1,533,486</u>	<u>\$1,482,222</u>	<u>\$55,600</u>	<u>\$0</u>	<u>\$ 4,336</u>
General Revenues:					
					\$ 7,866
					65,845
					<u>4,536</u>
					\$ <u>78,247</u>
					\$ 82,583
					<u>(387,504)</u>
					<u>\$(304,921)</u>

See independent auditors' report and the notes to the financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Clerk of Court
Balance Sheet-Governmental Fund
June 30, 2020

ASSETS:

Cash & Cash Equivalents	\$1,760,586
Revenue Receivable, Net of Allowance for Doubtful Accounts	86,102
Prepaid Expense	<u>44,405</u>
Total Assets	<u>\$1,891,093</u>

LIABILITIES:

Accounts Payable	\$ <u>9,546</u>
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FUND BALANCE:

Nonspendable- Prepaid Expense	\$ 44,405
Unassigned	<u>1,837,142</u>
Total Fund Balance	<u>\$1,881,547</u>
Total Liabilities & Fund Balance	<u>\$1,891,093</u>

See independent auditors' report and the notes to the financial statements.

Natchitoches Parish Clerk of Court
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balance for the Governmental Fund
at June 30, 2020 \$ 1,881,547

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

The following used in Governmental Activities are not
financial resources and, therefore, are not reported
in the Governmental Fund Balance Sheet.

Capital Assets	776,827
Less Accumulated Depreciation	(689,702)
Deferred Outflows of Resources	835,073

The following are not due and payable in the
current period and therefore are not reported in the
Governmental Fund Balance Sheet:

Compensated Absences	(11,225)
Other Post-Employment Benefits	(1,076,515)
Net Pension Liability	(1,087,461)
Deferred Inflows of Resources	<u>(933,465)</u>

Total Net Position of Governmental Activities
at June 30, 2020 \$ (304,921)

Natchitoches Parish Clerk of Court
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
June 30, 2020

REVENUES:

Licenses & Permits-	
Marriage Licenses	\$ 4,572
Intergovernmental	55,600
Charges for Services-	
Court Costs, Fees & Charges	766,824
Recording Fees	591,577
Photocopying Fees	106,082
Non-support	13,167
Miscellaneous-	
Interest	7,866
Other	<u>4,536</u>
Total Revenues	<u>\$1,550,224</u>

EXPENDITURES:

Current-	
Judicial-	
Personnel Services	\$1,079,206
Travel	14,559
Operating Services	182,161
Supplies	103,018
Professional Services	28,950
Capital Expenditures	<u>43,311</u>
Total Expenditures	<u>\$1,451,205</u>
Excess of Revenues over Expenditures	\$ 99,019
Fund Balance-Beginning of Year	<u>1,782,528</u>
Fund Balance-End of Year	<u>\$1,881,547</u>

See independent auditors' report and the notes to the financial statements.

Natchitoches Parish Clerk of Court
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, 2020

Total Net Change in Fund Balance at June 30, 2020, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 99,019
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The Change in Net Position
reported for Governmental Activities
in the Statement of Activities is different because:

Revenues in the Statement of Activities that do not provide
current financial resources are not reported as revenues in the
Statement of Revenues, Expenditures and Changes in Fund Balance

Non-Employer Pension Revenue	65,845
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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. These amounts were-

Capital Assets	43,311
Depreciation Expense	(24,006)

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and are not reported as expenditures
in the Statement of Revenues, Expenditures, and Changes in Fund Balance-

Change in Compensated Absences	2,466
Change in Other Post-Employment Benefits	7,427
Change in Pension Expense	<u>(111,479)</u>

Total Changes in Net Position at June 30, 2020, per Statement of Activities	\$ <u>82,583</u>
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Natchitoches Parish Clerk of Court
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$736,175	\$1,014,790	\$1,750,965
Revenue Receivable	<u>80,057</u>	<u>0</u>	<u>80,057</u>
Total Assets	<u>\$816,232</u>	<u>\$1,014,790</u>	<u>\$1,831,022</u>
LIABILITIES:			
Due to Others	<u>\$816,232</u>	<u>\$1,014,790</u>	<u>\$1,831,022</u>

See independent auditors' report and the notes to the financial statements.

Natchitoches Parish Clerk of Court
Statement of Changes in Fiduciary Net Position
for the Year Ended June 30, 2020

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
ADDITIONS:			
Suits and Successions	\$743,644	\$ 55,486	\$ 799,130
Interest Income	<u>0</u>	<u>1,379</u>	<u>1,379</u>
Total Additions	<u>\$743,644</u>	<u>\$ 56,865</u>	<u>\$ 800,509</u>
DEDUCTIONS:			
Clerk's Costs (paid to general fund)	\$445,269	\$ 0	\$ 445,269
Settlements to Litigants	238,299	155,517	393,816
Sheriff's Fees	73,140	0	73,140
Court Reporters	22,876	0	22,876
Attorneys, Curators, Notary	21,620	0	21,620
Judges' Supplemental Fund	22,956	0	22,956
Judicial Supplemental Fund	<u>13,635</u>	<u>0</u>	<u>13,635</u>
Total Deductions	<u>\$837,795</u>	<u>\$ 155,517</u>	<u>\$ 993,312</u>
Change in Liabilities	\$ (94,151)	\$ (98,652)	\$ (192,803)
Liabilities-Beginning	<u>910,383</u>	<u>1,113,442</u>	<u>2,023,825</u>
Liabilities-Ending	<u>\$816,232</u>	<u>\$1,014,790</u>	<u>\$1,831,022</u>

See independent auditors' report and the notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Clerk of Court
Notes to the Financial Statements
June 30, 2020

Introduction:

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

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the Natchitoches Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the Natchitoches Parish Government is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government (Government), (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Natchitoches Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Government.
2. Organizations for which the Natchitoches Parish Government does not appoint a voting majority but are fiscally dependent on the Natchitoches Parish Government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Natchitoches Parish Clerk of Court
Notes to the Financial Statements
June 30, 2020

Because the Natchitoches Parish Government provides office facilities for the Clerk, the Clerk was determined to be fiscally dependent on the Government and accordingly is considered to be a component unit of the Natchitoches Parish Government, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk and do not present information on the Natchitoches Parish Government, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING-

The Natchitoches Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk are classified into two categories as follows:

Governmental Fund

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Natchitoches Parish Clerk of Court and accounts for the operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund.

Fiduciary Funds

Agency Funds - The agency funds, the Advance Deposit Fund and Registry of Court Fund, account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Natchitoches Parish Clerk of Court, except for the fiduciary funds which are reported separately.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Natchitoches Parish Clerk of Court
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Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The governmental fund and the agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Natchitoches Parish Clerk of Court considers all revenues available if collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. All other revenues are recorded when received.

Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETARY ACCOUNTING-

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

Natchitoches Parish Clerk of Court
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F. CASH AND CASH EQUIVALENTS-

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

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. RECEIVABLES-

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

H. BAD DEBTS-

Uncollectible revenue receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2020, \$1,000 was considered uncollectible.

I. CAPITAL ASSETS-

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized.

J. COMPENSATED ABSENCES-

Full-time employees of the Natchitoches Parish Clerk of Court earn ten days sick leave annually. Vacation is earned as follows: 1st year – no vacation, 2nd year – 1 week, 3rd year – 2 weeks, 15 years – 3 weeks. Unused vacation and sick leave expires at December 31, however, at June 30, 2020, a total of \$11,225 in accrued leave remained unpaid.

K. PENSIONS-

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 (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Natchitoches Parish Clerk of Court
Notes to the Financial Statements
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L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

M. ESTIMATES-

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

N. 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 that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their 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 - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, the Clerk applies unrestricted resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Clerk at the incurrence of the expense.

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In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Clerk of Court's only governmental fund, has a nonspendable fund balance of \$44,405 which represents prepaid expense. The remaining fund balance of \$1,837,142 is classified as unassigned. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

2. Cash, Cash Equivalents, Investments and Credit Risk:

The cash and cash equivalents of the Clerk of Court are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Clerk of Court will not be able to recover its deposits. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk of Court's name.

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For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. The Clerk may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

At June 30, 2020, the Clerk had cash, cash equivalents (book balances), and investments totaling \$3,511,551 as follows:

Interest-bearing Demand	\$1,492,020
Time Deposits	2,016,981
Petty Cash	<u>2,550</u>
Total	<u>\$3,511,551</u>

At June 30, 2020, the Clerk has \$3,679,853 in deposits (collected bank balances). These deposits are secured from risk by \$847,959 of federal deposit insurance and \$2,831,894 of pledged securities held by the custodial bank in the name of the fiscal agent bank leaving \$0 unsecured and uncollateralized.

3. Revenue Receivable:

The following is a summary of receivables at June 30, 2020:

<u>Class of Receivable</u>	<u>Total</u>
Charges for services	\$87,102
Less, allowance for doubtful accounts	<u>(1,000)</u>
Net Receivables	<u>\$86,102</u>

4. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2020, is as follows:

	<u>Balance</u> <u>07-01-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-20</u>
Furniture fixtures, and equipment	\$ 733,516	\$ 43,311	\$0	\$ 776,827
Less, accumulated depreciation	<u>(665,696)</u>	<u>(24,006)</u>	<u>0</u>	<u>(689,702)</u>
Total Capital Assets, Net	<u>\$ 67,820</u>	<u>\$ 19,305</u>	<u>\$0</u>	<u>\$ 87,125</u>

Depreciation expense of \$24,006 was charged to the judicial function.

Natchitoches Parish Clerk of Court
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5. Accounts Payable and Accruals:

The following is a summary of accounts payable at June 30, 2020:

<u>Class of Payable</u>	<u>Total</u>
Vendor	<u>\$9,546</u>

6. Pension Plan:

Plan Description

The Clerk contributes to The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees. Substantially all employees of the Natchitoches Parish Clerk of Court are members of the Fund. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund, which can be obtained at www.la.la.org.

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

Retirement Benefits

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of 55 years (age 60 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, 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 3 1/3% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest compensated 36 consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those 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 creditable 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. 11:1521C.

Natchitoches Parish Clerk of Court
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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 1/4 of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid 1/2 of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan

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

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

Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. 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 the original benefit or the compensation earned in the period of

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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.

Cost-of-Living Adjustments

The Board of Trustees is authorized to provide a grant members or 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.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 19%.

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the year ended June 30, 2020, was \$65,845.

The Clerk of Court's contractually required composite contribution rate for the year ended June 30, 2020 was 19% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Clerk were \$116,599 for the year ended June 30, 2020. The Clerk has elected under state statute to pay both the employer and the employee contributions to the retirement system.

Due to this election, the Clerk contributed an additional \$46,677 on behalf of the employees for the year.

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

For the years ending June 30, 2020 and 2019, the Clerk reported a liability of \$1,087,461 and \$958,334, respectively, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 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

Natchitoches Parish Clerk of Court
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the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the years ending June 30, 2020 and 2019, the Clerk of Court's proportion was .59882% and .57616%, which was an increase of .02266% from its proportion measured as of June 30, 2019.

For the years ending June 30, 2020 and 2019, the Clerk recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$111,478 and \$50,788, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,534	\$ 0
Changes in assumption	69,514	0
Net difference between projected and actual earnings on pension plan investments	84,249	0
Changes in employer's proportion of beginning net pension liability	50,759	23,649
Differences between employer contributions and proportionate share of employer contributions	21	1,185
Subsequent Measurement Contributions	116,599	0
Total	\$351,676	\$24,834

The deferred outflows of resources related to pensions resulting from Natchitoches Parish Clerk of Court contributions subsequent to the measurement date in the amount of \$116,599, will be recognized as a reduction of the Net Pension Liabilities in the year of June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 84,902
2022	22,562
2023	66,506
2024	36,275
Total	\$210,243

Actuarial Assumptions

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

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A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.00%
Inflation Rate	2.5%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected Remaining Service Lives	2019 - 5 years 2018 - 5 years 2017 - 5 years 2016 - 5 years 2015 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2019 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 - June 30, 2014, unless otherwise specified. In cases where benefits 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, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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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 6.83%, for the year ended June 30, 2019.

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2019, is summarized in the following table:

Asset Class	Target Asset <u>Allocation</u>	Long-Term Expected Portfolio Real Rate <u>of Return</u>
Fixed Income:		
Domestic Bonds		2.50%
International Bonds	20.00%	3.50%
Domestic Equity	33.00%	7.50%
International Equity	27.00%	8.50%
Real Estate	10.00%	4.50%
Hedge Funds	<u>10.00%</u>	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 Clerk of Court's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Clerk of Court'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:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability	\$1,615,787	\$1,087,461	\$639,257

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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Louisiana Clerks' of Courts Retirement and Relief Fund Annual Financial Report at www.la.la.gov.

7. Leases:

The Natchitoches Parish Clerk of Court is obligated under several lease agreements accounted for as operating leases. Operating leases do not give rise to property rights of lease obligations, and therefore, the results of the lease agreements are not reflected in the capital assets. These leases are for copiers.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms as of June 30, 2020:

Fiscal Year Ending <u>June 30</u>	<u>Equipment</u>
2021	\$13,265
2022	<u>5,477</u>
Total	<u>\$18,742</u>

The Natchitoches Parish Clerk of Court was not obligated under any capital lease agreements at June 30, 2020.

8. Risk Management:

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

9. Other Post-Employment Benefits:

Plan description – The Natchitoches Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The Natchitoches Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical, dental, vision and life benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: If a member is hired on or before December 31, 2010 then the member is eligible to receive regular retirement benefits once he or she has attained age 55 and completed 12 years of service. If a member is hired on or after January 1, 2011, then the member will be eligible to receive regular retirement benefits once he or she has attained age 60 and has at least 12 years of service.

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

Employees covered by benefit terms – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	13
	<hr/>
	22
	<hr/>

Total OPEB Liability

The Clerk's total OPEB liability of \$1,076,515 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior discount rate	3.50%
Discount rate	2.21% annually
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5% SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$ 1,638,301</u>
Changes for the year:	
Service cost	35,210
Interest	57,957
Differences between expected and actual experience	(1,022,210)
Changes in assumptions	407,477
Benefit payments and net transfers	<u>(40,220)</u>
Net changes	<u>(561,786)</u>
Balance at June 30, 2020	<u><u>\$ 1,076,515</u></u>

Natchitoches Parish Clerk of Court
Notes to the Financial Statements
June 30, 2020

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 (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1.0% Decrease (2.50%)	Current Discount Rate (3.50%)	1.0% Increase (4.50%)
Total OPEB liability	\$1,277,447	\$1,076,515	\$917,823

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$1,006,297	\$1,076,515	\$1,165,206

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

For the year ended June 30, 2020, the Clerk recognized OPEB expense of \$32,943. At June 30, 2020, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,115	\$(908,631)
Changes in assumptions	439,281	0
Total	\$483,397	\$(908,631)

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

<u>Years ending June 30:</u>	
2021	\$ (60,224)
2022	(60,224)
2023	(60,224)
2024	(60,224)
2025	(60,224)
Thereafter	(124,114)
Total	\$(425,234)

Natchitoches Parish Clerk of Court
Notes to the Financial Statements
June 30, 2020

10. Deferred Compensation:

All of the employees of the Natchitoches Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$19,500 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Clerk matches 100% of the employee contribution up to 5% of the employee's annual salary. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Natchitoches Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2020, the Clerk's matching funds totaled \$23,685.

11. Expenditures of the Clerk of Court Paid by the Natchitoches Parish Government:

Certain expenses of the Natchitoches Parish Clerk of Court's office are paid by the Natchitoches Parish Government. The Government furnishes the building where the Clerk of Court's office is located and pays all utility bills.

12. Contingency:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Natchitoches Parish Clerk of Court operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Natchitoches Parish Clerk of Court anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

13. Subsequent Events:

Management has evaluated events through December 22, 2020, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Natchitoches Parish Clerk of Court
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable/ <u>(Unfavorable)</u>
REVENUES:				
Fees & Charges for Services	\$1,333,000	\$1,420,500	\$1,482,222	\$ 61,722
Intergovernmental	22,000	25,000	55,600	30,600
Miscellaneous-				
Interest Income	2,000	5,000	7,866	2,866
Other Revenue	<u>10,000</u>	<u>4,000</u>	<u>4,536</u>	<u>536</u>
Total Revenues	<u>\$1,367,000</u>	<u>\$1,454,500</u>	<u>\$1,550,224</u>	<u>\$ 95,724</u>
EXPENDITURES:				
Current-				
Judicial-				
Personnel Services	\$1,053,000	\$1,086,100	\$1,079,206	\$ 6,894
Travel	16,000	14,700	14,559	141
Operating Services	140,000	149,440	182,161	(32,721)
Supplies	100,000	93,500	103,018	(9,518)
Professional Services	33,000	27,250	28,950	(1,700)
Capital Expenditures	<u>7,500</u>	<u>22,000</u>	<u>43,311</u>	<u>(21,311)</u>
Total Expenditures	<u>\$1,349,500</u>	<u>\$1,392,990</u>	<u>\$1,451,205</u>	<u>\$(58,215)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 17,500	\$ 61,510	\$ 99,019	\$ 37,509
Fund Balance-Beginning of Year	<u>1,782,528</u>	<u>1,782,528</u>	<u>1,782,528</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,800,028</u>	<u>\$1,844,038</u>	<u>\$1,881,547</u>	<u>\$ 37,509</u>

See independent auditors' report and the notes to the financial statements.

Natchitoches Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2020

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	.57809%	\$ 779,767	\$408,298	191%	79.37%
2016	.56668%	\$ 850,044	\$565,328	150%	78.13%
2017	.59850%	\$1,107,202	\$503,416	220%	74.17%
2018	.55803%	\$ 844,257	\$534,955	158%	79.69%
2019	.57616%	\$ 958,334	\$582,260	165%	79.07%
2020	.59882%	\$1,087,461	\$603,703	180%	77.93%

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

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

See independent auditors' report and the notes to the financial statements.

Natchitoches Parish Clerk of Court
Schedule of Employer Contributions
For the Year Ended June 30, 2020

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 97,409	\$ 97,409	\$0	\$408,298	23.9%
2016	\$103,792	\$103,792	\$0	\$565,328	18.4%
2017	\$ 95,649	\$ 95,649	\$0	\$503,416	19.0%
2018	\$101,642	\$101,642	\$0	\$534,955	19.0%
2029	\$109,261	\$109,261	\$0	\$582,260	18.8%
2020	\$110,629	\$110,629	\$0	\$603,703	18.3%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2020.

Natchitoches Parish Clerk of Court
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

Year	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service Cost	\$ 19,996	\$ 20,596	\$ 35,210
Interest	56,053	57,098	57,957
Changes of Benefits Terms	-	-	-
Differences Between Expected and Actual Experiences	168	49,838	(1,022,210)
Changes of Assumptions	-	87,357	407,477
Benefit Payments	<u>(39,518)</u>	<u>(41,691)</u>	<u>(40,220)</u>
Net Change In Total OPEB Liability	\$ 36,699	\$ 173,198	\$ (561,786)
Beginning OPEB Liability	<u>1,428,404</u>	<u>1,465,103</u>	<u>1,638,301</u>
Ending OPEB Liability	<u>\$1,465,103</u>	<u>\$1,638,301</u>	<u>\$1,076,515</u>
Covered-Employee Payroll	\$ 539,740	\$ 555,932	\$ 501,754
Net OPEB Liability as a Percentage of Covered-Employee Payroll	271.45%	294.69%	214.55%
Notes to Schedule:			
<i>Benefit Changes:</i>	None	None	None
<i>Changes in Assumptions:</i>			
<i>Discounts Rate:</i>	3.50%	3.50%	2.21%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2014
<i>Trend:</i>	5.50%	5.50%	Variable

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

See independent auditors' report and the notes to the financial statements.

Natchitoches Parish Clerk of Court
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2020

Agency Head Name: David Stamey, Clerk of Court

<u>Purpose</u>	<u>Amount</u>
Salary	\$151,103
Benefits-Insurance	13,519
Benefits-Retirement	40,392
Deferred Compensation	8,400
Benefits-Other	2,490
Auto Allowance	9,600
Office Reimbursements	599

See independent auditors' report.

OTHER REPORTS

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
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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*

Honorable David Stamey
Natchitoches Parish Clerk of Court
P. O. Box 476
Natchitoches, Louisiana 71458-0476

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, major fund and fiduciary funds as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish Clerk of Court's (Clerk of Court) basic financial statements and have issued our report thereon dated December 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk of Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 22, 2020

Natchitoches Parish Clerk of Court
Schedule of Audit Results
Year Ended June 30, 2020

I. SUMMARY OF AUDIT RESULTS

The following summarizes the audit results:

1. The auditor's report expresses an unmodified opinion on the financial statements of the Natchitoches Parish Clerk of Court as of and for the year ended June 30, 2020.
2. The audit disclosed no material weaknesses in internal control.
2. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

III. PRIOR YEAR FINDINGS

None noted.