

**FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2021
With Supplemental Information Schedules**

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Annual Financial Statements
With Independent Auditor's Report
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With Supplemental Information Schedules

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FRANKLIN PARISH CLERK OF COURT
 Winnsboro, Louisiana
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund and fiduciary funds of the Franklin Parish Clerk of Court, a component unit of the Franklin Parish Police Jury, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Franklin Parish Clerk of Court'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 Franklin Parish Clerk of Court's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Independent Auditor's Report,
June 30, 2021

Opinions

In my 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 fiduciary funds of the Franklin Parish Clerk of Court as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 8 to the financial statements, operations of the Franklin Parish Clerk of Court are impacted by the pandemic caused by the Coronavirus/COVID-19. The Franklin Parish Clerk of Court is uncertain how and to what extent the pandemic will negatively affect operations, financial position, cash flows, and the ability to provide services. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and notes to required supplementary information, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Franklin Parish Clerk of Court's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head, Justice System Funding Schedule for Receiving, and Justice System Funding Schedule for Collecting/Disbursing as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

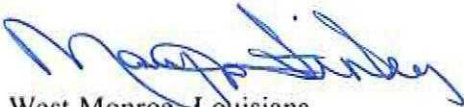
These schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Independent Auditor's Report,
June 30, 2021

United States of America. In my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated December 14, 2021, on my consideration of the Franklin Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Franklin Parish Clerk of Court's internal control over financial reporting and compliance.



West Monroe, Louisiana
December 14, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Management's Discussion and Analysis
June 30, 2021

As management of the Franklin Parish Clerk of Court, I offer readers of the Franklin Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Clerk of Court for the fiscal year ended June 30, 2021. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Franklin Parish Clerk of Court's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Franklin Parish Clerk of Court's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Franklin Parish Clerk of Court is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Franklin Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Franklin Parish Clerk of Court exceeded assets by \$981,828. Capital assets of the Franklin Parish Clerk of Court exceed Net Position due to the Net OPEB and Net Pension Liabilities. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Franklin Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION
Governmental Funds

	2021	2020
ASSETS		
Cash and cash equivalents	\$199,343	\$167,162
Receivables	15,453	24,058
Due from agency funds	94,731	137,171
Capital assets (net of accumulated depreciation)	9,381	15,531
TOTAL ASSETS	318,908	343,922
DEFERRED OUTFLOWS OF RESOURCES		
Pension and OPEB related	563,171	382,630
LIABILITIES		
Accounts payable	5,420	11,032
Withholdings payable	15,982	12,267
Due to other funds	2,123	2,123
Net pension liability	874,015	610,233
Net OPEB obligation	901,859	840,346
TOTAL LIABILITIES	1,799,399	1,476,001
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related	64,508	66,992
NET POSITION		
Invested in capital assets, net of related debt	9,381	15,531
Unrestricted	(991,209)	(831,972)
TOTAL NET POSITION	(\$981,828)	(\$816,441)

STATEMENT OF ACTIVITIES

	2021	2020
Judicial:		
Personal services	\$731,015	\$732,562
Operating services	100,844	76,964
Materials and supplies	13,746	11,500
Travel	37,166	42,275
Depreciation expense	6,150	6,150
Total Program Expenses	888,921	869,451
Program revenues:		
Charges for services:		
License and permits - marriage	3,355	1,449
Clerk's supplemental compensation	24,600	24,600
Court cost, fees, and charges	233,436	336,161
Fees for recording legal documents	332,708	313,089
Fees for certified copies of documents	33,176	18,148
Charges for use of photocopier	41,432	20,730
Election reimbursement	7,615	1,202
Miscellaneous fees	42,965	42,255
Total program revenues	719,287	757,634
Net Program Expenses	(169,634)	(111,817)
General revenues:		
Use of money and property	4,246	8,839
Change in Net Position	(165,388)	(102,978)
Net Position - Beginning of year	(816,440)	(713,463)
Net Position - End of year	(\$981,828)	(\$816,441)

Financial Analysis of the Government's Funds

As noted earlier, the Franklin Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the general fund's governmental fund balances of \$286,002 showed a decrease of \$16,967 over June 30, 2020.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily decreases in personal services and related benefits, materials and supplies, travel and other charges and capital outlay and an increase in operating service. Differences between revenues of the original budget and the final budget were due primarily to a decrease in anticipated revenues for miscellaneous revenues and use of money and property and increases in licenses and permits, court costs, fees, and charges, recording legal documents, fees for certified copies, charges for use of photocopier and election reimbursement.

Capital Asset and Debt Administration

Capital assets. The Franklin Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$9,381 (net of accumulated depreciation). This investment includes furniture and equipment. There were no additions or deletions for the year.

Long-term debt. The Franklin Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2021 is 901,859. Net pension obligation associated with the Pension Plan at June 30, 2021 is \$874,015.

Requests for Information

This financial report is designed to provide a general overview of the Franklin Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Franklin Parish Clerk of Court, P.O. Box 1564, Winnsboro, LA 71295.

BASIC FINANCIAL STATEMENTS

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

STATEMENT OF NET POSITION
June 30, 2021

ASSETS

Cash and cash equivalents	\$199,343
Receivables	15,453
Due from other funds	94,731
Capital assets (net of accumulated depreciation)	<u>9,381</u>
TOTAL ASSETS	<u>318,908</u>

DEFERRED OUTFLOW OF RESOURCES

Pension and OPEB related	<u>563,171</u>
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LIABILITIES

Accounts payable	5,420
Withholdings payable	15,982
Due to other funds	2,123
Net pension liability	874,015
Net OPEB Obligation	<u>901,859</u>
TOTAL LIABILITIES	<u>1,799,399</u>

DEFERRED INFLOWS OF RESOURCES

Pension and OPEB related	<u>64,508</u>
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NET POSITION

Invested in capital assets, net of related debt	9,381
Unrestricted	<u>(991,209)</u>
TOTAL NET POSITION	<u>(\$981,828)</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2021

Judicial:	
Personal services	\$731,015
Operating services	100,844
Materials and supplies	13,746
Travel	37,166
Depreciation expense	6,150
Total Program Expenses	<u>888,921</u>
Program revenues:	
Charges for services:	
License and permits-marriage	3,355
Clerk's supplemental compensation	24,600
Court cost, fees, and charges	233,436
Fees for recording legal documents	332,708
Fees for certified copies of documents	33,176
Charges for use of photocopier	41,432
Election reimbursement	7,615
Miscellaneous fees	42,965
Total program revenues	<u>719,287</u>
Net Program Expenses	(169,634)
General revenues -	
Use of money and property	<u>4,246</u>
Change in Net Position	(165,388)
Net Position - Beginning of year	<u>(816,440)</u>
Net Position - End of year	<u><u>(\$981,828)</u></u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2021

ASSETS

Cash and cash equivalents	\$199,343
Receivables	15,453
Due from agency funds	<u>94,731</u>
TOTAL ASSETS	<u>\$309,527</u>

LIABILITIES AND FUND BALANCE

Liabilities -	
Accounts payable	\$5,420
Withholding payable	15,982
Due to agency funds	2,123
Fund Balances - unassigned	<u>286,002</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$309,527</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2021

Total Fund Balances at June 30, 2021 - Governmental Funds (Statement C)		\$286,002
Deferred outflows of resources		563,171
Cost of capital assets at June 30, 2021	\$352,578	
Less: Accumulated depreciation as of June 30, 2021	<u>(343,197)</u>	9,381
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(874,015)
Net OPEB obligation		(901,859)
Deferred inflow of resources		<u>(64,508)</u>
Net Position at June 30, 2021 (Statement A)		<u>(\$981,828)</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2021

REVENUES

Licenses and permits - marriage	\$3,355
Intergovernmental revenues - state grants - Clerk's supplemental compensation	24,600
Fees, charges, and commissions for services:	
Court costs, fees, and charges	233,436
Fees for recording legal documents	332,708
Fees for certified copies of documents	33,176
Charges for use of photocopier	41,432
Election reimbursement	7,615
Miscellaneous	920
Use of money and property - interest earnings	4,246
Total revenues	<u>681,488</u>

EXPENDITURES

Current:	
General government - judicial:	
Personal services	546,699
Operating services	100,844
Materials and supplies	13,746
Travel and other charges	37,166
Total expenditures	<u>698,455</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES (16,967)

FUND BALANCES AT BEGINNING OF YEAR 302,969

FUND BALANCES AT END OF YEAR \$286,002

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2021

Total net change in fund balances - governmental funds (Statement D)	(\$16,967)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(6,150)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(73,135)
Non-employer contribution to pension plan	42,045
Pension expense	<u>(111,181)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$165,388)</u></u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Statement of Fiduciary Net Position

June 30, 2021

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>NON SUPPORT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$1,005,094	\$722,348	\$6,366	\$1,733,808
Accounts receivable			3,696	3,696
Due from General Fund		2,123		2,123
TOTAL ASSETS	<u>\$1,005,094</u>	<u>\$724,471</u>	<u>\$10,062</u>	<u>\$1,739,627</u>
LIABILITIES				
Accounts payable			\$852	\$852
Due to General Fund	\$89,066		5,665	94,731
Unsettled deposits held for others	916,028	\$724,471	3,545	1,644,044
TOTAL LIABILITIES	<u>\$1,005,094</u>	<u>\$724,471</u>	<u>\$10,062</u>	<u>\$1,739,627</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	NON SUPPORT FUND	TOTAL
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	<u>\$912,490</u>	<u>\$216,887</u>	<u>\$2,260</u>	<u>\$1,131,637</u>
ADDITIONS				
Suits and successions	269,171	511,388		780,559
Witness deposits	24			24
Bond deposits	10,100			10,100
Interest earned on investments		571		571
Appropriations from state			15,126	15,126
Total additions	<u>279,295</u>	<u>511,959</u>	<u>15,126</u>	<u>806,380</u>
Total	<u>1,191,785</u>	<u>728,846</u>	<u>17,386</u>	<u>1,938,017</u>
REDUCTIONS				
Clerk's costs to General Fund	167,679		12,251	179,930
Deposits settled to:				
Litigants	54,914	4,375		59,289
Appraisers, curators, keepers, etc.	5,354			5,354
Sheriff's fees	26,196		1,590	27,786
Judges Supplemental Fund	11,841			11,841
Judicial Clerk	6,510			6,510
Other reductions	3,263			3,263
Total reductions	<u>275,757</u>	<u>4,375</u>	<u>13,841</u>	<u>293,973</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u>\$916,028</u>	<u>\$724,471</u>	<u>\$3,545</u>	<u>\$1,644,044</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements of the Franklin Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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 police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

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.

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Franklin Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Franklin Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The clerk of court's basic financial statements include both government-wide (reporting the clerk of court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

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

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The clerk first uses restricted resources to finance qualifying activities.

The government-wide financial statements are 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*.

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Notes to the Financial Statements (Continued)

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Allocation of Indirect Expenses - The clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

Governmental Fund Type

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

Fiduciary Fund Type - Agency Funds

The Advance Deposit, Registry of Court, and Non Support agency funds are used to account for assets held as an agent for others. Agency 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. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Fiduciary type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 balances 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.

Governmental 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 clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when

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Notes to the Financial Statements (Continued)

due, and 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

Intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the clerk of court has cash and cash equivalents (book balances) totaling \$1,933,151.

Demand deposits	\$1,376,622
Time deposits	556,504
Petty cash	25
Total	<u>\$1,933,151</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by

FRANKLIN PARISH CLERK OF COURT
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 Notes to the Financial Statements (Continued)

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 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's name. The Clerk does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at June 30, 2021, are undersecured as follows:

Bank balances	<u>\$2,005,926</u>
Federal deposit insurance	\$895,000
Pledged securities (uncollateralized)	<u>1,950,963</u>
Total	<u>\$2,845,963</u>

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

G. ANNUAL AND SICK LEAVE

All full-time employees of the clerk of court's office receive 10 days of non-cumulative vacation leave each year and one day of sick leave per month, not to exceed 10 days accumulation at any time. Accumulated sick leave does not carry forward to succeeding years.

H. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2021.

I. PENSION PLANS

The Franklin Parish Clerk's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

J. 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.

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Notes to the Financial Statements (Continued)

- b. Restricted net position - Consists of net position with constraints 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 - All other net position that does 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, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial 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:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$286,002. 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. The

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 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Clerk considers restricted amounts have been spent when an expenditure has been incurred for the purpose for which both restricted and unrestricted fund balance is available.

K. 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 acquisitions of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

L. 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 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.

2. RECEIVABLES

The following is a summary of receivables at June 30, 2021:

	General Fund	Non Support	Total
<u>Class of receivables:</u>			
Appropriation from State		\$3,696	\$3,696
Fees, charges, and commissions for services:			
Recordings	\$10,856		10,856
Certified copies	1,509		1,509
Criminal fees	2,322		2,322
Other fees	766		766
Total	<u>\$15,453</u>	<u>\$3,696</u>	<u>\$19,149</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

FRANKLIN PARISH CLERK OF COURT
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 Notes to the Financial Statements (Continued)

Balance, June 30, 2020	\$352,578
Additions	NONE
Deletions	<u>NONE</u>
Balance, June 30, 2021	352,578
Less accumulated depreciation	<u>(343,197)</u>
Net Capital Assets	<u>\$9,381</u>

Depreciation of \$6,150 was charged to the Judicial function.

4. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER

The Louisiana Clerks' of Court Retirement Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1501 to provide regular, disability and survivor benefits to clerks of court, their deputies and other employees, and the beneficiaries of such 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 Franklin Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (Fund).

Summary of Significant Accounting Policies.

The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer 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 inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Louisiana Clerks' of Court Retirement and Relief Fund employer schedules were 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 member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2020.

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Notes to the Financial Statements (Continued)

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

The 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.la.gov.

Plan 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 65 if hired on or after January 1, 2011) or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3% percent of the members 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 and 1/3 percent 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 of

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Notes to the Financial Statements (Continued)

increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase 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.

Contributions

According to the state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 19.0%. 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 \$42,045.

The Clerk of Court's contractually required composite contribution rate for the year ended June 30, 2021 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 \$67,610 for the year ended June 30, 2021.

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 \$26,561 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, 2021 and 2020, the Clerk reported a liability of \$874,015 and \$610,233, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerks' proportion of the net pension liability was based on a projection of the Clerks' long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks' actuarially determined. At June 30, 2020, the Clerks' proportion was .3633 percent, which was an increase of .027 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Clerk recognized pension expense of \$171,705. At June 30, 2020, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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 Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected actual experience	\$10,922	\$10,811
Changes in Assumptions	77,518	
Net difference between projected and actual earnings on pension plan	187,323	
Changes in employer's proportion of beginning NPL	43,171	\$24,567
Differences between employer and proportionate share of contributions		91
Subsequent measurement contributions	67,610	
Total	\$386,544	\$35,469

\$67,610 reported as deferred outflows of resources related to pensions resulting from the Clerks' 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 pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$71,175
2021	86,196
2022	68,070
2023	58,021
Total	\$283,462

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected salary increases	1.5 years of service 6.2% 5 years or more 5.0%
Inflation rate	2.5%
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	2014-2020 - 5 years

FRANKLIN PARISH CLERK OF COURT
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 Notes to the Financial Statements (Continued)

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.
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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 performed over the period July 1, 2009 through June 30, 2014 unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

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 product 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.

The discounted rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund’s actuary. Based on 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 Clerks’ proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2020.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Clerks’ proportionate share of the net pension liability	\$906,705	\$874,015	\$358,722

FRANKLIN PARISH CLERK OF COURT
 Winnboro, Louisiana
 Notes to the Financial Statements (Continued)

Payables to the Pension Plan

The financial statements include a payable to the pension plan of \$9,168, which is the legally required contribution due at June 30, 2021. This amount is recorded in accrued expenses.

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Benefits Provided - Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks’ of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attained of age 55 and 25 years of service; or, attainment of age 60 and 20 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	8
Total employees	<u>12</u>

Total OPEB Liability

The Clerk’s total OPEB liability of \$901,859 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

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:

FRANKLIN PARISH CLERK OF COURT
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 Notes to the Financial Statements (Continued)

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior discount rate	2.21% annually
Discount rate	2.16%
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

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

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$840,346
Changes for the year:	
Service cost	38,865
Interest	19,001
Differences between expected and actual experience	6,359
Changes of assumptions	6,352
Benefit payments and net transfers	(9,064)
Net Changes	61,513
Balance at June 30, 2021	\$901,859

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1.0% Decrease (1.16%)	Current Discount Rate (2.16%)	1.0% Increase (3.16%)
Total OPEB liability	\$1,053,718	\$901,859	\$780,484

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 a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$814,785	\$901,859	\$1,012,222

FRANKLIN PARISH CLERK OF COURT
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

**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 OPEB expense of \$82,199. At June 30, 2021, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenditures	\$22,124	(\$29,039)
Changes in assumptions	154,504	
Total	<u>\$176,627</u>	<u>(\$29,039)</u>

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

Year ended June 30:	
2022	\$24,333
2023	24,333
2024	24,333
2025	24,333
2026	24,333
Thereafter	\$25,922

6. DEFERRED COMPENSATION

All of the employees of the Franklin 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 \$19,000 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Clerk matches up to 10% of their base 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 Franklin 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, 2021, the Clerk's matching funds totaled \$12,950.

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Notes to the Financial Statements (Continued)

7. LITIGATION AND CLAIMS

The Franklin Parish Clerk of Court is not involved in any litigation at June 30, 2021, nor is she aware of any unasserted claims.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 14, 2021, which is the date the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Franklin Parish Clerk of Court and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
License and permits	\$2,000	\$3,300	\$3,355	\$55
Intergovernmental revenues - state grants:				
Clerk's supplemental compensation	23,000	24,600	24,600	
Fees, charges, and commissions for services:				
Court costs, fees, and charges	252,500	270,875	233,436	(37,439)
Fees for recording legal documents	200,000	337,000	332,708	(4,292)
Fees for certified copies of documents	9,000	33,500	33,176	(324)
Charges for use of photocopier	15,000	27,000	41,432	14,432
Election reimbursement	1,500	7,700	7,615	(85)
Miscellaneous	2,000	1,000	920	(80)
Use of money and property - interest earnings	5,000	200	4,246	4,046
Total revenues	<u>510,000</u>	<u>705,175</u>	<u>681,488</u>	<u>(23,687)</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and related benefits	622,500	564,823	546,699	18,124
Operating services	113,900	119,750	100,844	18,906
Materials and supplies	25,000	14,600	13,746	854
Travel and other charges	46,000	34,000	37,166	(3,166)
Capital outlay	68,000			
Total expenditures	<u>875,400</u>	<u>733,173</u>	<u>698,455</u>	<u>34,718</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(365,400)	(27,998)	(16,967)	11,031
FUND BALANCE AT BEGINNING OF YEAR	<u>400,000</u>	<u>335,793</u>	<u>302,969</u>	<u>(32,824)</u>
FUND BALANCE AT END OF YEAR	<u>\$34,600</u>	<u>\$307,795</u>	<u>\$286,002</u>	<u>(\$21,793)</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2021

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Franklin Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts.

Franklin Parish Clerk of Court
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2021

Total OPEB Liability	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Service cost	\$15,013	\$14,856	\$36,286	\$38,865
Interest	19,903	20,550	22,688	19,001
Changes of benefits terms	NONE	NONE	NONE	NONE
Differences between expected and actual experience	266	24,599	(38,719)	6,359
Changes of assumptions	NONE	NONE	198,594	6,352
Benefit payments	<u>(9,118)</u>	<u>(9,620)</u>	<u>(8,592)</u>	<u>(9,064)</u>
Net change in total OPEB liability	26,064	50,385	210,257	61,513
Total OPEB liability - beginning	<u>553,640</u>	<u>579,704</u>	<u>630,089</u>	<u>840,346</u>
Total OPEB liability - ending	<u><u>\$579,704</u></u>	<u><u>\$630,089</u></u>	<u><u>\$840,346</u></u>	<u><u>\$901,859</u></u>
Covered employee payroll	\$308,808	\$318,072	\$312,234	\$321,601
Net OPEB liability as a percentage of covered-employee payroll	187.72%	198.10%	269.14%	280.43%
<i>Benefit Changes</i>	None	None	None	None
<i>Changes in Assumptions:</i>				
<i>Discount Rate</i>	3.50%	3.50%	2.21%	2.16%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000	RP-2000
<i>Trend:</i>	5.50%	5.50%	Variable	Variable

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

See independent auditor's report and the related notes to the financial statements.

Franklin Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
June 30, 2021

Fiscal Year *	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
2014	0.346454%	\$467,319	\$316,647	147.58%	79.37%
2015	0.340142%	\$510,224	\$307,727	165.80%	78.13%
2016	0.339105%	\$627,335	\$309,514	202.68%	74.17%
2017	0.354392%	\$536,172	\$319,709	167.71%	79.69%
2018	0.364645%	\$606,514	\$338,569	179.14%	79.08%
2019	0.336033%	\$610,233	\$326,739	186.76%	77.93%
2020	0.363285%	\$874,015	\$360,219	242.63%	72.09%

* Amount presented were determined as of the measurement date (previous fiscal year end).

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

See independent auditor's report and the related notes to the financial statements.

**Franklin Parish Clerk of Court
Schedule of Employer Contributions
June 30, 2021**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$58,580	\$58,580	\$0	\$316,647	18.50%
2015	\$58,468	\$58,468	\$0	\$307,727	19.00%
2016	\$58,808	\$58,808	\$0	\$309,514	19.00%
2017	\$60,745	\$60,745	\$0	\$319,709	19.00%
2018	\$64,328	\$64,328	\$0	\$338,569	19.00%
2019	\$62,080	\$62,080	\$0	\$326,739	19.00%
2020	\$68,442	\$68,442	\$0	\$360,219	19.00%

* Amounts presented were determined as of the end of the fiscal year.

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

See independent auditor's report and the related notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

PART III

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2021

ANITA WYGAL, CLERK OF COURT

PURPOSE	AMOUNT
Salary	\$106,273
Expense Allowance	11,998
Supplemental Compensation	24,600
Election expense	1,800
Benefits-insurance	8,830
Benefits-retirement	37,511
Benefits-deferred compensation	10,250
Benefits-medicare	2,223
Car Allowance	19,798
Cellphone	1,577
Membership dues-Clerk's Association	2,198

See independent auditor's report.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
GENERAL FUND
For the Year Ended June 30, 2021

CASH BASIS PRESENTATION	First Six Month Period Ended 12/30/2020	Second Six Month Period Ended 6/30/2021
Receipts From:		
Franklin Parish Sheriff - Criminal Court Costs/Fees	\$9,252	\$11,995
Franklin Parish Sheriff - Bond Fees	216	384
Franklin Parish Police Jury - Criminal Court Costs/Fees	1,540	1,420
Subtotal Receipts	<u>\$11,008</u>	<u>\$13,799</u>
Total: Ending Balance of Amounts collected but not Received	<u>NONE</u>	<u>NONE</u>

See independent auditor's report.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
FIDUCIARY FUNDS
For the Year Ended June 30, 2021

CASH BASIS PRESENTATION	First Six Month Period Ended	Second Six Month Period Ended
Beginning Balance of Amounts Collected	\$1,264,629	\$1,732,028
Add: Collections		
Civil Fees	634,186	160,179
Bond Fees	100	10,000
Interest Earnings on Collected Balances	1,589	2,690
Subtotal Collections	635,875	172,869
Less: Disbursements To Governments & Nonprofits		
Franklin Parish Sheriff, Civil Fees	704	353
Franklin Parish Sheriff, Service/Collection Fees	8,136	7,750
Louisiana State Treasurer, Judicial Supplemental Compensation, Civil Fees	5,904	5,937
Judicial Clerk, Civil Fees	3,210	3,300
Louisiana Supreme Court, Civil Fees	106	108
Louisiana Commissioner of Insurance, Civil Fees	65	60
State of Louisiana Court of Appeals, Civil Fees	653	NONE
Secretary of State, Civil Fees	300	700
State Treasurers Office-Battered Womens Fund, Civil Fees	500	590
Avoyelles Parish Sheriff, Service/Collection Fees	50	NONE
Ascension Parish Sheriff, Service/Collection Fees	49	120
Bossier Parish Sheriff, Service/Collection Fees	47	NONE
Caddo Parish Sheriff, Service/Collection Fees	16	NONE
Calcasieu Parish Sheriff, Service/Collection Fees	NONE	35
Caldwell Parish Sheriff, Service/Collection Fees	163	188
Catahoula Parish Sheriff, Service/Collection Fees	48	NONE
Concordia Parish Sheriff, Service/Collection Fees	371	NONE
East Baton Rouge Sheriff, Service/Collection Fees	953	1,074
East Carroll Parish Sheriff, Service/Collection Fees	NONE	33
Evangeline Parish Sheriff, Service/Collection Fees	NONE	46
Jackson Parish Sheriff, Service/Collection Fees	NONE	41
Jefferson Parish Sheriff, Service/Collection Fees	120	180
Lafayette Parish Sheriff, Service/Collection Fees	68	127
Lincoln Parish Sheriff, Service/Collection Fees	39	155
LaSalle Parish Sheriff, Service/Collection Fees	66	NONE
Madison Parish Sheriff, Service/Collection Fees	180	30
Morehouse Parish Sheriff, Service/Collection Fees	155	NONE
Natchitoches Parish Sheriff, Service/Collection Fees	21	NONE
Orleans Parish Sheriff, Service/Collection Fees	210	90

Franklin Parish Clerk of Court
 Justice System Funding Schedule -
 Collecting/Disbursing
 FYE June 30, 2021

Schedule 7

CASH BASIS PRESENTATION	First Six Month Period Ended	Second Six Month Period Ended
Ouachita Parish Sheriff, Service/Collection Fees	\$1,492	\$1,297
Rapides Parish Sheriff, Service/Collection Fees	100	48
Richland Parish Sheriff, Service/Collection Fees	440	726
St. Landry Parish Sheriff, Service/Collection Fees	NONE	32
St. Tammany Parish Sheriff, Service/Collection Fees	NONE	41
St. Mary Parish Sheriff, Service/Collection Fees	NONE	47
St. Martin Parish Sheriff, Service/Collection Fees	41	NONE
Tensas Parish Sheriff, Service/Collection Fees	67	115
Webster Parish Sheriff, Service/Collection Fees	40	NONE
West Carroll Parish Sheriff, Service/Collection Fees	105	NONE
Winn Parish Sheriff, Service/Collection Fees	68	68
Less: Amounts Retained by Collecting Agency		
Franklin Parish Clerk of Court, Civil Fees	\$116,524	\$110,437
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	19,404	35,510
Other Disbursements to Individuals	8,061	1,849
Subtotal Disbursements/Retainage	168,476	171,087
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u>\$1,732,028</u>	<u>\$1,733,810</u>

See independent auditor's report.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

**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***

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

I 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, the major fund and the fiduciary funds of the Franklin Parish Clerk of Court, a component unit of the Franklin Parish Police Jury, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Franklin Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Clerk's internal control over financial reporting(internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, I do not express an opinion on the effectiveness of the Clerk's internal control.

A deficiency in internal control exist 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 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.

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2021

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Parish Clerk of Court's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin Parish Clerk of Court'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 Franklin Parish Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
December 14, 2021

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Schedule of Audit Results
For the Year Ended June 30, 2021

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

2020-001 Inadequate Segregation of Duties

Finding: The segregation of duties is inadequate to provide effective internal control.

Recommendation: No action is recommended.

Conclusion: This finding has been resolved.

2020-002 Possible Violation of Article VII, Section 14 of the Louisiana Constitution

Finding: The previous clerk, Ann Johnson, paid wages and benefits to an employee that did not appear to work hours needed to be considered a full time employee, therefore, was not entitled to office paid employee portion of retirement or insurance premiums.

Recommendation: Management should review time sheets to ensure all employees are working for the time they are paid and ensure that employees are working the required hours to be classified as a full time employee.

Conclusion: This finding is no longer applicable.

2020-003 Possible Misappropriation of Assets

Finding: It appears former Clerk of Court, Ann Johnson, did not return the cell phone issued to her, as required, upon her retirement.

Recommendation: Management should continue to pursue the former Clerk to return the cell phone to the Clerk's office.

Conclusion: This finding is no longer applicable.

2020-004 Material Weakness - Lack of Controls for Cash Account Reconciliations and Review

Finding: The previous clerk did not have policies and procedures in place requiring preparing or reviewing bank reconciliations. The previous clerk did all accounting functions for the office for the Salary Fund, Non Support Fund, and the Registry of Court Fund accounts. There were no other employees involved in reconciling or reviewing bank reconciliations for these accounts. None of the cash accounts were reconciled for the year ending June 30, 2021.

Recommendation: Management reconciliations be performed in a timely manner and have evidence reconciliations are performed then reviewed by an appropriate level of management.

Conclusion: This finding has been resolved.