

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended JUNE 30, 2020**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

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SHREVEPORT, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mike Spence
Caddo Parish Clerk of Court
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and each fiduciary fund type of the Caddo Parish Clerk of Court (Clerk of Court), Shreveport, Louisiana, a component unit of the Caddo Parish Commission, 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.

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and each fiduciary fund type of the Caddo

Parish Clerk of Court, as of June 30, 2020, 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.

Other Matters

Required Supplemental Information Part I

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed as "Required Supplementary Information Part I" 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.

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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplemental Information Part II and Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caddo Parish Clerk of Court's basic financial statements. The "Required Supplementary Information Part II", as listed in the table of contents and the accompanying financial information listed as "Other Supplemental Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The "Required Supplemental Information—Part II" and the accompanying "Other Supplemental Information" are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18 2020, on our consideration of the Caddo Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Caddo Parish Clerk of Court's internal control over financial reporting and compliance.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
December 18, 2020

REQUIRED SUPPLEMENTAL INFORMATION- PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Caddo Parish Clerk of Court, Shreveport, Louisiana, (hereafter referred to as the Clerk of Court) we offer the readers of the Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Clerk of Court as of and for the year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Clerk of Court's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

Total revenues for the year ended June 30, 2020, decreased 2.59% (\$269,430).

At June 30, 2020, the total liabilities and deferred inflows of resources of the Clerk of Court exceeded the total assets and deferred outflows of resources with a deficit of (\$27,113,744) (net position) an increase in the deficit of \$826,425 compared to the prior year's ending net position (deficit) of (\$26,287,319).

Net pension liability increased \$955,569 (15.77%) from \$6,059,557 at June 30, 2019, to \$7,015,126 at June 30, 2020.

Other postemployment obligations increased by \$5,939,392. The unfunded liability increased from \$20,148,030 for year ended June 30, 2019 to \$26,087,422 at June 30, 2020.

The Clerk of Court's total general and program revenues were \$10,116,464 during the year ended June 30, 2020, compared to \$10,385,894 during year ended June 30, 2019.

During the year ended June 30, 2020, the Clerk of Court's total expenses, excluding depreciation, were \$10,682,821, compared to \$10,503,754 during year ended June 30, 2019. Depreciation expense was \$260,068 in 2020 and \$230,977 in 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Clerk of Court's basic financial statements. The Clerk of Court's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information in addition to the basic financial statements. These components are described below:

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the Clerk of Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Clerk of Court's financial position, which assists users in assessing the Clerk of Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets of the Clerk of Court as well as all liabilities. The government-wide financial statements include two statements:

- **The *statement of net position*** presents all of the Clerk of Court's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases

in the Clerk of Court's net position may serve as a useful indicator of whether the financial position of the Clerk of Court is improving or deteriorating.

- **The *statement of activities*** presents information showing how the Clerk of Court's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

The government-wide financial statements can be found immediately following this discussion and analysis.

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 Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The funds of the Clerk of Court can be divided into two categories; governmental funds and fiduciary funds.

- ***Governmental funds.*** The services provided by the Clerk of Court are financed through 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Clerk of Court's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Clerk of Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Clerk of Court.

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, users may better understand the long-term impact of the Clerk of Court's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Clerk of Court has one governmental fund; the General Fund (*Salary Fund*) which is classified as a major fund.

The governmental fund financial statements can be found immediately following the government-wide financial statements.

- ***Fiduciary funds.*** Fiduciary funds, which consist solely of agency funds, are used to account for resources held for the benefit of parties outside of the government. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Clerk of Court's fiduciary activities are reported in a separate statement of

fiduciary net position and a schedule of changes in fiduciary unsettled deposits. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the Clerk of Court's own programs. The fiduciary funds use the accrual basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the governmental fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balance for budgetary purposes and the fund balance of the General Fund as presented in the governmental fund financial statements. Following the required supplementary information is other supplementary information that is provided to show additional details.

Other Supplementary Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3).

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the Clerk of Court's financial position. As of June 30, 2020, the Clerk of Court's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources for a deficit of \$27,113,711. Comparatively, as of the June 30, 2019, the Clerk of Court's financial statements report that liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$26,287,319. These deficits in net position were caused primarily by the adoption of GASB 68 and 71 requiring recognition of the Clerk of Court's net pension liability and the adoption of GASB 75 increasing other postemployment obligations.

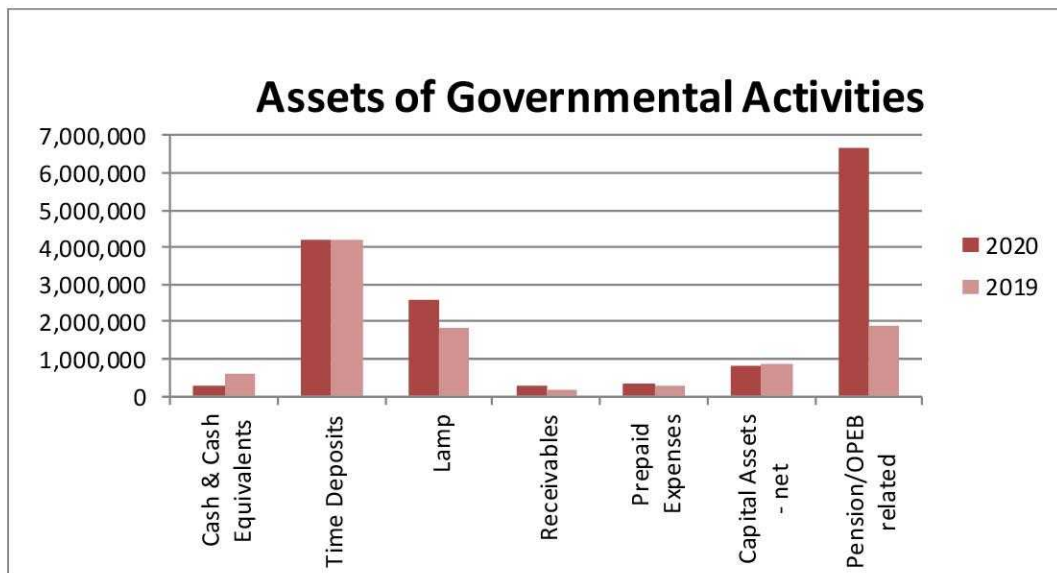
The Clerk of Court continues to maintain a high level of liquidity with \$4,26,150 deposited in demand deposits and certificates of deposit with various financial institutions as of June 30, 2020, compared to \$4,798,077 at the end of the prior year. The Clerk of Court also has deposits with the Louisiana Asset Management Pool, Inc. totaling \$2,575,000 at June 30, 2020, compared to similar deposits of \$1,825,000 at June 30, 2019. All certificates of deposit have maturities of one year or less when purchased and deposits with the Louisiana Asset Management Pool, Inc. may be withdrawn at any time without penalty. The Clerk of Court had combined cash, cash equivalents, and investments of \$7,003,350 and \$6,623,077 at June 30, 2020 and 2019, respectively.

At June 30, 2020, \$836,766 of the of the Clerk of Court's net position reflects capital assets with a historical cost of \$3,443,632 and accumulated depreciation of \$2,606,866 compared to \$891,007 of net position for the prior year with a historical cost of \$3,237,804 and accumulated depreciation of \$2,346,797.

The remaining net position is unrestricted and may be used to meet the Clerk's ongoing obligations to the citizens of Caddo Parish. As of June 30, 2020, the Clerk of Court had a deficit unrestricted net position.

Caddo Parish Clerk of Court's Net Position

	2020	2019
Assets:		
Current assets	\$ 822,071	\$ 1,072,459
Investments	6,750,000	6,000,000
Capital assets, net of accumulated depreciation	836,766	891,007
Total assets	8,408,837	7,963,466
Deferred Outflows of Resources:		
Pension related	4,332,525	1,889,935
OPEB related	2,306,919	-
Total assets and deferred outflows of resources	\$ 15,048,281	\$ 9,853,401
Liabilities:		
Current liabilities	\$ 406,698	\$ 434,674
Long-term liabilities outstanding		
Net pension liability	7,015,126	6,059,557
Other postemployment obligations	26,087,422	20,148,030
Total liabilities	33,509,246	26,642,261
Deferred Inflows of Resources		
Pension related	731	59,861
OPEB related	8,652,048	9,438,598
	8,652,779	9,498,459
Net Position		
Net investment in capital assets	836,766	891,007
Unrestricted	(27,950,510)	(27,178,326)
Total net position (deficit)	(27,113,744)	(26,287,319)
Total liabilities, deferred inflows of resources, and net position	\$ 15,048,281	\$ 9,853,401



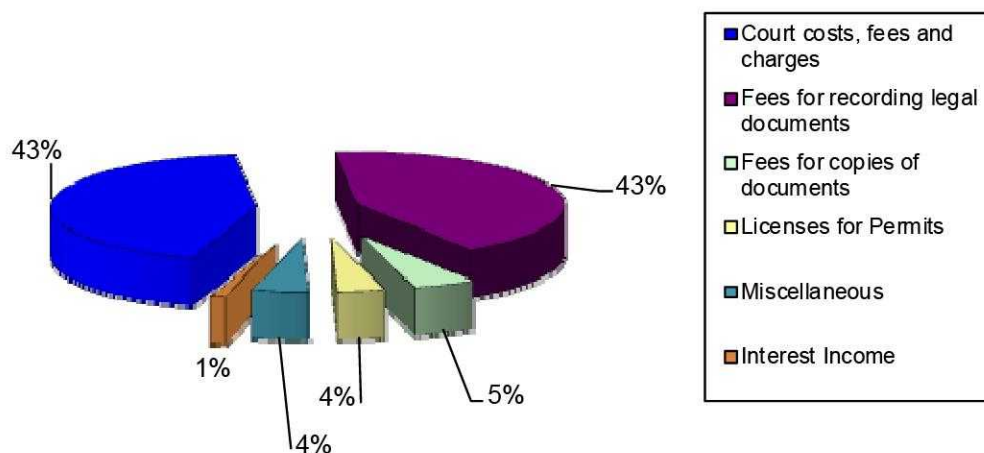
Changes in Net Position

The Clerk of Court's net position decreased by \$826,392 or 3.14% during the year ended June 30, 2020, compared to a decrease of \$348,837 or 1.3% during the prior year. Approximately 94.09% (\$9,518,221) of the Clerk of Court's total revenues were derived through charges for services and licenses and permits in 2020 compared to 94.54% (\$9,818,735) in 2019. Expenses incurred by the Clerk of Court are primarily for the provision of legal recordings for the citizens of the First Judicial District, Caddo Parish, Louisiana. Approximately 90.4% (\$9,043,398) of the Clerk of Court's expenses are for salaries and related payroll taxes and employee benefits during the year ended June 30, 2020, compared to 87.7% (\$8,767,505) during the prior year. In 2020, governmental activities program expenses exceeded program revenues by \$1,424,668.

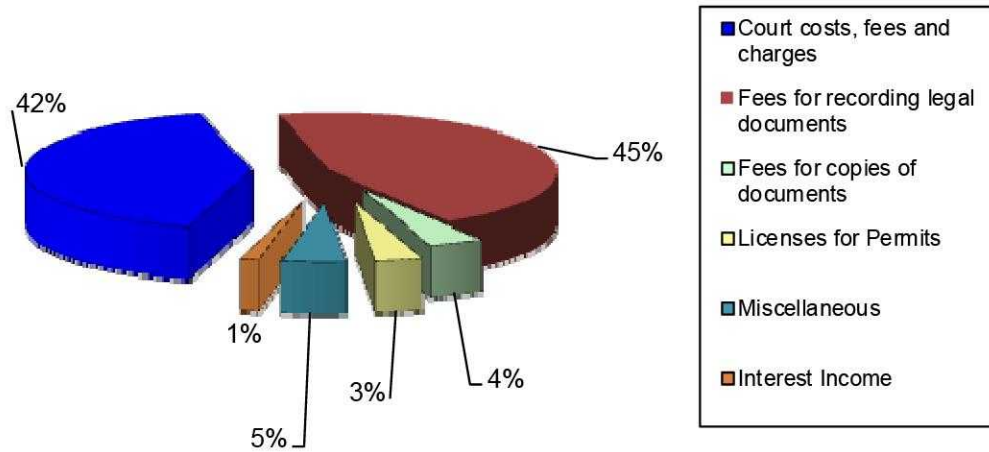
Caddo Parish Clerk of Court's Changes in Net Position Governmental Activities

	2020	2019
Revenues:		
Program revenues:		
Court costs, fees and charges	\$ 4,240,540	\$ 4,491,737
Fees for recording legal documents	4,542,494	4,424,427
Other charges for services	735,154	902,571
General revenues:		
Interest	139,342	114,634
Miscellaneous	458,934	452,525
Total Revenues	<u>10,116,464</u>	<u>10,385,894</u>
Expenses		
Judiciary	<u>10,942,889</u>	<u>10,734,731</u>
Increase (Decrease) in net position	<u>(826,425)</u>	<u>(348,837)</u>
Net position, beginning of year	<u>(26,287,319)</u>	<u>(25,938,482)</u>
Net position, end of year	<u>\$ (27,113,744)</u>	<u>\$ (26,287,319)</u>

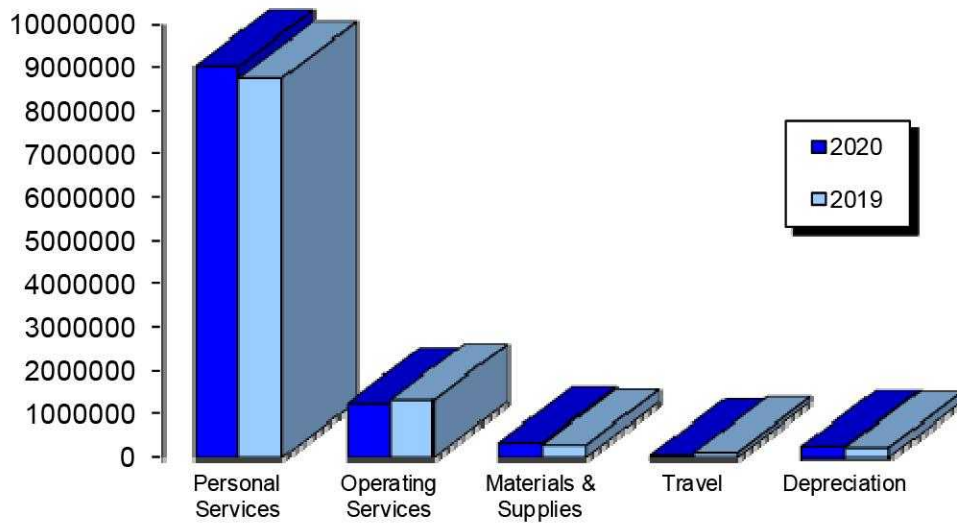
Total 2019 Revenues of Governmental Activities



Total 2020 Revenues of Governmental Activities



Total Expenses of Governmental Activities



FINANCIAL ANALYSIS OF THE CLERK'S INDIVIDUAL FUNDS

As noted earlier, the Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Clerk of Court's governmental fund is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Clerk of Court's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Clerk of Court's net resources available for spending at the end of the year. As of the end of the year, the Clerk of Court's governmental fund (general fund) reported an ending fund balance of \$7,156,316, an increase of \$525,395 (7.9%) compared to the prior year. A total of \$6,849,703 (95.7%) of the ending fund balance is unassigned and is available for spending in the coming year while \$306,613 (4.3%) is non-spendable and represents amounts expended for prepaid items.

The general fund is the operating fund of the Clerk of Court. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned general fund balance as of June 30, 2020, (\$6,849,703) represents 74.7% of the total general fund expenditures (\$9,164,111) for the year ended.

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Clerk of Court complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The Clerk of Court's budget was amended once during the year to increase expenditures and to increase revenue.

The actual adjusted expenditures were \$451,275 less than the amount originally budgeted and \$20,051 less than the final budgeted amounts.

Adjusted revenues available for expenditure were \$152,557 (1.55%) less than the final budgeted amounts.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2020, totaled \$3,443,632, net of accumulated depreciation of \$2,606,866, leaving a book value of \$836,766. This investment in capital assets consists of office equipment and furniture and fixtures.

Actual costs to purchase capital assets were \$205,828 in 2020 compared to \$189,425 during 2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities. It is unknown how this will affect the Caddo Parish Clerk of Court's operations in the coming year at the date of this report. At the present time, the Clerk has not experienced any major impact from the pandemic. Therefore, the following economic factors were considered when the budget for the fiscal year ended June 30, 2020, was prepared:

- Revenues are expected to remain consistent with the prior year.
- Other expenditures are expected to remain consistent with the prior year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Caddo Parish Clerk of Court, Shreveport, Louisiana, and seeks to demonstrate the Clerk of Court's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Honorable Mike Spence, Clerk of Court for Caddo Parish, 501 Texas Street, Room 103, Shreveport, Louisiana, 71101-5408, or by calling (318) 226-6775.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Statement of Net Position
June 30, 2020**

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 253,350
Investments	6,750,000
Receivables	262,108
Prepaid expenses	306,613
Total current assets	7,572,071
Noncurrent assets:	
Capital assets, net of accumulated depreciation	836,766
Total Assets	8,408,837
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	4,332,525
Pension related	2,306,919
Total Deferred Outflows of Resources	6,639,444
Total Assets and Deferred Outflows of Resources	\$ 15,048,281
LIABILITIES	
Current liabilities:	
Accounts payable	37,319
Payroll deductions payable	14,389
Unearned revenues	86,580
Accrued salaries	143,442
Compensated absences payable	124,968
Total current liabilities	406,698
Noncurrent liabilities:	
Net pension liability	7,015,126
Other postemployment obligations	26,087,422
Total noncurrent liabilities	33,102,548
Total Liabilities	33,509,246
DEFERRED INFLOWS OF RESOURCES	
OPEB related	8,652,048
Pension related	731
Total Deferred Inflows of Resources	8,652,779
NET POSITION	
Net investment in capital assets	836,766
Unrestricted	(27,950,510)
Total Net Position (deficit)	(27,113,744)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 15,048,281

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Statement of Activities
For the Year Ended June 30, 2020**

	<u>Governmental Activities</u>
Expenses:	
Judiciary:	
Personal services and related benefits	\$ 9,043,398
Materials and supplies	342,252
Operating services	1,240,594
Travel and other charges	56,577
Depreciation	260,068
Total Expenses	<u>10,942,889</u>
 Program Revenues:	
Charges for services:	
Court costs, fees and charges	4,240,540
Fees for recording legal documents	4,542,494
Fees for copies of documents	397,902
Licenses and permits	337,252
Total charges for services	<u>9,518,188</u>
Total Program Revenues	<u>9,518,188</u>
 Net Program Revenues (Expenses)	 <u>(1,424,701)</u>
 General Revenues:	
Miscellaneous	458,934
Use of money and property - interest income	139,342
Total General Revenues	<u>598,276</u>
 Change in Net Position	 <u>(826,425)</u>
 Net Position at Beginning of Year	 <u>(26,287,319)</u>
Net Position--(deficit) at End of Year	<u><u>\$ (27,113,744)</u></u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

FUND FINANCIAL STATEMENTS

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Balance Sheet – Governmental Fund
June 30, 2020**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 253,350
Investments	6,750,000
Receivables	253,051
Prepaid expenditures	306,613
Total Assets	\$ 7,563,014
LIABILITIES	
Accounts payable	\$ 37,319
Unearned revenues	86,580
Payroll deductions payable	14,389
Accrued salaries	143,442
Compensated absences payable	124,968
Total liabilities	406,698
FUND BALANCE	
Nonspendable:	
Prepaid items	306,613
Unassigned	6,849,703
Total fund balance	7,156,316
Total Liabilities and Fund Balance	\$ 7,563,014

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Reconciliation of Fund Balance on the Balance Sheet for Governmental Fund
To Net Position of Governmental Activities on the Statement of Net Position
June 30, 2020**

Fund Balance - Governmental Fund	\$ 7,156,316
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Amounts reported for governmental activities in the statement of net position are different because:

In the governmental fund, interest income on time deposits is recognized when the time deposits have matured and the income is available. In the government-wide statements, interest income is recognized as it is earned.

Add- accrued interest	9,057
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Certain deferred outflows are reported in the Statement of Net Position but not in the governmental funds

Add - Deferred outflows-pension related	2,306,919
Add - Deferred outflows-OPEB related	4,332,525

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Add - capital assets	\$3,443,632
Deduct - accumulated depreciation	<u>(2,606,866)</u>
	836,766

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund:

Deduct - Net pension liability	(7,015,126)
Deduct - Deferred inflows-pension related	(731)
Deduct - Other postemployment obligations liability	(26,087,422)
Deduct - Deferred inflows-OPEB related	<u>(8,652,048)</u>

Net Position of Governmental Activities - (Deficit)	<u><u>\$ (27,113,744)</u></u>
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**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

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

	<u>General Fund</u>
Revenues	
Fees, charges, and commissions for services:	
Court costs, fees and charges	\$ 4,240,540
Fees for recording legal documents	4,542,494
Fees for copies of documents	397,902
Licenses and permits	337,251
Miscellaneous	34,170
Use of money and property - interest income	137,149
Total Revenues	<u>9,689,506</u>
Expenditures	
Judiciary:	
Current:	
Personal services and related benefits	7,318,860
Materials and supplies	342,252
Operating services	1,240,594
Travel and other charges	56,577
Capital outlay	205,828
Total Expenditures	<u>9,164,111</u>
Net Change in Fund Balance	<u>525,395</u>
Fund Balance at Beginning of Year	<u>6,630,921</u>
Fund Balance at End of Year	<u>\$ 7,156,316</u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

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

Net Change in Fund Balance- Governmental Fund **\$ 525,395**

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

Governmental funds report interest income on time deposits when the time deposits have matured and the income is available. However, in the statement of activities the amount of the accrued interest is reported as revenue.

Accrued interest on time deposits - current year	9,057	
Accrued interest on time deposits - prior year	(6,864)	
	2,193	2,193

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital outlay	\$ 205,828	
Depreciation expense	(260,068)	
	(54,240)	(54,240)

In the Statement of Activities pension and other postemployment benefits are reported in the government-wide statements, but not in the governmental fund statements

Pension expense		(904,219)
Non-employer contributions to cost-sharing pension plan		424,763
Other postemployment benefits		(820,317)
		(1,300,773)

Change in Net Position of Governmental Activities **\$ (826,425)**

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Statement of Fiduciary Net Position
June 30, 2020**

	Jury Cost Fund	Advance Deposit Fund	Registry of Court Fund	Court Reporter Fund	Total
Assets					
Cash and cash equivalents	\$ 68,596	\$ 359,076	\$ 18,478,659	\$ 215,288	\$ 19,121,619
Investments	1,960,000	3,300,000	-	303,490	5,563,490
Other financial instruments	-	-	32,175	-	32,175
Total Assets	\$ 2,028,596	\$ 3,659,076	\$ 18,510,834	\$ 518,778	\$ 24,717,284
Liabilities					
Unsettled deposits	\$ 2,028,596	\$ 3,659,076	\$ 18,510,834	\$ 518,778	\$ 24,717,284
Total Liabilities	\$ 2,028,596	\$ 3,659,076	\$ 18,510,834	\$ 518,778	\$ 24,717,284

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

NOTES TO THE FINANCIAL STATEMENTS

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

INTRODUCTION

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 has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Caddo Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, *Audits of State and Local Governments*.

The significant accounting and reporting policies and practices used by the Clerk of Court are described below.

B. REPORTING ENTITY

The Caddo Parish Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Caddo Parish Commission. The Commission maintains and operates the parish courthouse in which the Clerk of Court's office is located and is responsible for certain expenses incurred by the Clerk of Court. Because the Clerk of Court is fiscally dependent on the Commission, the Clerk of Court was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity.

As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes responsibility for the hiring and retention of employees, the annual operating budget and any fund deficits, and the receipt and disbursement of funds.

The accompanying financial statements present information only on the funds and activities controlled by the Caddo Parish Clerk of Court and do not present information on the Caddo Parish Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Funds of the Clerk of Court are classified into two categories: governmental (General Fund) and fiduciary (agency funds). These funds are described as follows:

Governmental Funds

Governmental funds account for all or most of the Clerk of Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following is the Clerk of Court's governmental fund:

General Fund- The General Fund (Salary Fund), as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the 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. General operating expenditures are paid from this fund.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk of Court are agency funds. The Civil Jury Cost, Advance Deposit, Registry of Court, and Court Reporter agency funds account for assets held by the Clerk of Court as an agent for litigants pending court action. 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 accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

Fund Financial Statements (FFS)

The amounts reflected in the General Fund 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 is then reconciled, through adjustment, to a government-wide view of the Clerk of Court's operations.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

The amounts reflected in the General Fund 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 of Court 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 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.

Revenues

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 recorded when received by the Clerk of Court.

Based on the above criteria, recordings, 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.

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Clerk.

Capital outlays are reported at the time purchased.

The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity; therefore, the Clerk of Court reports the General Fund as a major fund.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Government-wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Clerk of Court as a whole. These statements include all the financial activities of the Clerk of Court, except for fiduciary activities. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with the Clerk of Court's activities are reported. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. 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*.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

Revenues that are not classified as program revenues, including interest, are presented as general revenues.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriations, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded.

F. CASH AND CASH EQUIVALENTS

Cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits and other investments with original maturities of approximately 90 days or less when purchased. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less when purchased, they are classified as cash equivalents.

H. RECEIVABLES

All trade receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable outstanding an excess of 90 days comprise the trade accounts receivable allowance for uncollectible accounts.

I. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as deferred outflows of resources in the financial statements.

J. CAPITAL ASSETS AND DEPRECIATION

Capital assets are reported at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$3,000 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are reported in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Lives</u>
Office equipment	5 years
Furniture & fixtures	7 years
Building improvements	7 -20 years

Depreciation of all exhaustible capital assets is reported as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for Deferred Inflows of Resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Clerk of Court recognizes differences between expected and actual factors in total pension liability measurements, changes in assumptions about future factors in the total pension liability measurements, and the differences between projected and actual earnings on pension plan investments within these financial statement sections.

The Clerk of Court reports unearned revenue on both its government-wide and fund financial statements. Unearned revenues arise when potential revenues do not meet both the “available” and “measurable” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria have been met or the Clerk of Court has legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized. The Clerk of Court’s unearned revenue consists of prepaid portal fees.

L. COMPENSATED ABSENCES

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

Employees of the Clerk of Court’s office earn from one to five weeks of annual leave each year, depending on length of service. Annual leave must be used in the year earned. Upon voluntary resignation or retirement, an employee is compensated for annual leave accumulated during the year of resignation or retirement. Authorized time off (ATO) leave (i.e. sick leave) is granted at the discretion of the Clerk of Court. Upon retirement, resignation, or termination of employment, all unused ATO leave shall be forfeited.

The Clerk of Court’s recognition and measurement criteria for compensated absences follows GASB Statement No. 16 which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees’ rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payment at termination or retirement.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. NET POSITION AND FUND EQUITY

The Clerk of Court has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. In the government-wide financial statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and can be reported in three components:

- a. Net investment in capital assets - Consists of capital assets net of accumulated depreciation.
- b. Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Clerk’s bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets.

The Clerk of Court has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Clerk of Court is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

In the fund financial statements, governmental fund balance is presented in five possible categories:

- *Nonspendable* – resources which cannot be spent because they are either (a) not in spendable form (such as prepaid items) or; (b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the Clerk of Court). These amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- *Assigned* – resources neither restricted nor committed for which the Clerk of Court has a stated intended use for a specific purpose.
- *Unassigned* – resources that are available for any purpose.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. NET POSITION AND FUND EQUITY (continued)

The Clerk of Court establishes (and modifies and rescinds) fund balance commitments and assignments through adoption and amendment of the budget.

The Clerk of Court 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.

R.S. 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of his term of office. The amount owed to the parish treasurer under R.S. 13:785 is limited to no more than the funds provided by the parish treasurer under provisions of R.S. 13:784 (A) to help defray the costs of capital assets and record books during the Clerk of Court's four-year term. At June 30, 2020, there was no amount due to the parish treasurer.

N. PENSION PLAN

The Caddo Parish Clerk of Court is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. 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. Investments have been reported at fair value within the plan.

O. USE OF 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.

P. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Caddo Clerk of Court follows GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which requires the accrual of other postemployment benefits for retired employees. The Clerk of Court has recorded a liability for other postemployment benefits (see Note 7). In the government-wide financial statements, the OPEB liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, OPEB expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to OPEB payments due and payable as of the end of the year.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents:

At June 30, 2020, the Clerk of Court had cash and cash equivalents (book balances) totaling \$19,374,968 as follows:

	Governmental Fund	Fiduciary Funds	Total
Cash	\$ 2,200	\$ -	\$ 2,200
Demand deposits	251,150	19,121,618	\$ 19,372,768
	\$ 253,350	\$ 19,121,618	\$ 19,374,968

Investments:

At June 30, 2020, the Clerk of Court had investments (book balances) totaling \$11,933,490 as follows:

	Governmental Fund	Fiduciary Funds	Total
Time Deposits	4,175,000	\$ 2,728,490	\$ 6,903,490
LAMP	2,575,000	2,835,000	5,410,000
	\$ 6,750,000	\$ 5,563,490	\$ 12,313,490

These deposits are stated at cost, which approximates market value. 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 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.

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

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. At year end, the Clerk of Court had collected bank balances of \$26,416,821 which were fully protected by \$250,000 of federal depository insurance and the pledge of securities with a market value of \$28,195,443 held by the custodial bank in the name of the Clerk of Court.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Interest Rate Risk: The Clerk of Court's certificates of deposit have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates.

Credit Risk: The Clerk of Court's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Clerk of Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Investments held at June 30, 2020, include \$5,410,000 (collected balances) invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool.

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

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

3. RECEIVABLES

The governmental activities receivables of \$253,051 at June 30, 2020, are as follows:

Fees, charges and commissions for services:	
Court costs, fees and charges	\$ 19,673
Fees for recording legal documents	217,560
Copies	23,690
Remote access	8,332
Portal fees	9,225
Interest	9,057
Gross receivables	287,535
Less Allowance for uncollectibles	(25,428)
Net total receivables	<u>\$ 262,108</u>

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets being depreciated					
Office equipment	\$ 1,812,801	\$ -	-	-	\$ 1,812,801
Furniture and fixtures	647,422	205,828	-	-	853,250
Office improvements	777,581	-	-	-	777,581
Total	<u>3,237,804</u>	<u>205,828</u>	<u>-</u>	<u>-</u>	<u>3,443,632</u>
Less accumulated depreciation:					
Office equipment	(1,352,920)	(190,100)	-	-	(1,543,020)
Furniture and fixtures	(507,377)	(39,304)	-	-	(546,681)
Office improvements	(486,501)	(30,664)	-	-	(517,165)
Total	<u>(2,346,798)</u>	<u>(260,068)</u>	<u>-</u>	<u>-</u>	<u>(2,606,866)</u>
Net capital assets	<u>\$ 3,237,804</u>	<u>\$ (54,240)</u>	<u>-</u>	<u>-</u>	<u>\$ 836,766</u>

Depreciation expense of \$260,068 was charged to the judiciary function of the governmental activities.

5. UNEARNED REVENUES

Unearned revenues of \$86,580 represents remote access fees received from customers for the period January 1, 2020, through December 31, 2020, which had not been earned by the Clerk of Court as of June 30, 2020.

6. PENSION PLAN

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

Plan Description.

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

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

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

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

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

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

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

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

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

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008. A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

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

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

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

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

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

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

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

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

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

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

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

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

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 Clerk of Court for the year ended June 30, 2019 was \$424,764.

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

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2019 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2019.

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

At June 30, 2020, the Caddo Parish Clerk of Court reported a liability of \$7,015,126 for its proportionate share of the net pension liability of the Plan. 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 the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019 (Plan's measurement date), the Clerk of Court's proportion was 3.862972% which was an increase of 0.219882% from the proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Clerk of Court recognized a pension expense of \$904,219, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 196,973	\$ -
Changes of assumptions	543,481	-
Net difference between projected and actual earnings on pension plan investments	448,430	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	426,700	731
Employer contributions subsequent to the measurement date	691,335	-
Total	\$ 2,306,919	\$ 731

The Clerk of Court reported a total of \$691,335 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>June 30,</u>	
2020	\$ 642,842
2021	256,051
2022	459,109
2023	256,851
Total	\$ 1,614,853

Actuarial Methods and Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of the Clerk of Court as of June 30, 2019 are as follows:

Total Pension Liability	\$ 31,784,686
Plan Fiduciary Net Position	24,769,560
Total Net Pension Liability	\$ 7,015,126

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Life	5 Years
Investment Rate of Return	6.75%, net of investment expense, including inflation
Inflation rate	2.50%
Projected Salary Increases	5.00%
Mortality Rates	RP-2000 Employee Table set back 4 years for males and 3 years for females RP-2000 Healthy Annuitant Table set forward 1 year for males. RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females
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.

Mortality Rate. The mortality rate assumption used was verified by combining data from this plan with three 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 set back of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used. The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.38%, for the year ended June 30, 2019.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

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 Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income:		
Domestic Bonds	20.00%	2.50%
International Bonds		3.50%
Domestic Equity:	33.00%	7.50%
International Equity:	27.00%	8.50%
Real Estate	10.00%	4.50%
Hedge Funds	10.00%	6.59%
	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on 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 Clerk of Court's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Clerk of Court calculated using the discount rate of 6.75 percent, as well as what the Clerk's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 10,423,311	\$ 7,015,126	\$ 4,123,797

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2019, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience: The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings: The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

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

Changes in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

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

Funding Policy: Plan members are required by state statute to contribute 8.25% of their annual covered salary to the plan. The Caddo Parish Clerk of Court is required to contribute to the plan at an actuarially determined rate. The rate for the fiscal year ended June 30, 2020, was 19.00% of the annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Caddo Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caddo Parish Clerk of Court's contributions to the System for the years ending June 30, 2020, 2019, and 2018 were \$693,148, \$713,659, and \$643,651, respectively, equal to the required contributions for each year.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

6. PENSION PLAN (continued)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana financial report. Access to the report can be found on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Caddo Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The Caddo 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 and life insurance benefits are provided through comprehensive plans 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: Attainment of age 55 and 12 years of service; or, attainment of age 60 and 12 years of service for employees hired on and after January 1, 2011. 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. All the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Employees covered by benefit terms—at June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	33
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>73</u>
Total	<u><u>106</u></u>

Total OPEB Liability

The Clerk of Court's total OPEB liability of \$26,087,422 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

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

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.50% annually (beginning of year to determine ADC) 2.21% annually (as of end of year measurement date)
Healthcare cost trend rates	Flat 5.5% annually
Mortality	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index on the applicable measurement dates.

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	\$ 20,148,030
Changes for the year:	
Service costs	1,018,660
Interest costs at 3.62%	723,008
Changes in Assumptions/Inputs	4,590,851
Difference between expected and actual experience	154,421
Benefit payments	<u>(547,548)</u>
Net changes	<u>5,939,392</u>
Balance at June 30, 2020	<u><u>\$ 26,087,422</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Clerk of Court, 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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.0% Decrease (1.21%)	Current Discount (2.21%)	1.0% Increase (3.21%)
Total OPEB liability	\$ 30,977,615	\$ 26,087,422	\$ 22,214,737

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

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 (4.50%)	Current Discount (5.50%)	1.0% Increase (6.50%)
Total OPEB liability	\$ 22,728,377	\$ 26,087,422	\$ 30,482,909

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

For the year ended June 30, 2020, the Clerk of Court recognized OPEB expense of \$820,317. At June 30, 2020, the Clerk of Court reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 159,024	\$ 892,106
Changes in Assumptions	4,173,501	7,759,942
Total	\$4,332,525	\$ 8,652,048

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

Year ending June 30		
2021	\$	(352,054)
2022	\$	(352,054)
2023	\$	(352,054)
2024	\$	(352,054)
2025	\$	(352,054)
Thereafter	\$	(2,559,250)

8. COMPENSATED ABSENCES

At June 30, 2020, employees of the Clerk of Court have accumulated and vested \$124,968 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is due and payable within the next year and is recorded as an obligation of the General Fund.

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to the Financial Statements
June 30, 2020**

9. RISK MANAGEMENT

The Caddo Parish Clerk of Court is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk purchases commercial insurance to provide workers compensation coverage, general liability, error and omission, and property insurance. There were no significant reductions in insurance coverage from the previous year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

10. LITIGATION AND CLAIMS

At June 30, 2020, the Caddo Parish Clerk of Court was involved in litigation concerning several matters which, in the estimation of the legal advisor of the Clerk of Court, an estimate of the ultimate resolution of the suits cannot be made. However, it is the opinion of legal counsel that an unfavorable outcome is unlikely in the pending lawsuits.

11. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COMMISSION

The Caddo Parish Clerk of Court's office is located in the Caddo Parish Courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715 is paid by the Caddo Parish Commission and are not included in the accompanying financial statements.

12. DEFICIT NET POSITION

A net position deficit of \$27,113,711 exists in the general fund resulting from noncurrent operating liabilities such as OPEB liability of \$26,087,422 and net pension liability of \$7,015,126.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 18, 2020, the date the financial statements were available to be issued, and has concluded that there are no significant events requiring recognition or disclosure through that date.

In the spring of 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The public health crisis caused volatile economic conditions impacting financial markets and disrupting general business activities across the United States. The timing and extent of the impact of COVID-19 on the Clerk of Court's current and future operations is unknown at the date of this report

REQUIRED SUPPLEMENTAL INFORMATION – PART II

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

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

	Budgeted Amounts		Actual Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual Amounts (Budgetary Basis)	
Revenues						
Fees, charges, and commissions for services:						
Court costs, fees and charges	4,653,685	4,281,116	4,240,540	(2,373)	4,238,167	(42,949)
Fees for recording legal documents	4,295,710	4,637,876	4,542,494	(6,632)	4,535,862	(102,014)
Fees for copies of documents	527,560	400,000	397,902	(3,585)	394,317	(5,683)
Licenses and permits	382,980	362,980	337,251	-	337,251	(25,729)
Miscellaneous	-	-	34,170	(14,501)	19,669	19,669
Use of money and property - interest income	116,000	133,000	137,149	-	137,149	4,149
Total Revenues	<u>9,975,935</u>	<u>9,814,972</u>	<u>9,689,506</u>	<u>(27,091)</u>	<u>9,662,415</u>	<u>(152,557)</u>
Expenditures						
Judiciary:						
Current:						
Personal services and related benefits	7,780,337	7,342,333	7,318,860	18,790	7,337,650	4,683
Materials and supplies	-	-	342,252	(24,610)	317,642	(317,642)
Operating services	1,692,663	1,607,240	1,240,594	(34,770)	1,205,824	401,416
Travel and other charges	-	-	56,577	(14)	56,563	(56,563)
Capital Outlay	100,000	192,203	205,828	(1,782)	204,046	(11,843)
Total Expenditures	<u>9,573,000</u>	<u>9,141,776</u>	<u>9,164,111</u>	<u>(42,386)</u>	<u>9,121,725</u>	<u>20,051</u>
Excess of Revenues Over (Under) Expenditures	402,935	673,196	525,395	15,295	540,690	(132,506)
Fund Balance at Beginning of Year	6,630,921	6,630,921	6,630,921	65,286	6,696,207	65,286
Fund Balance at End of Year	<u>7,033,856</u>	<u>7,304,117</u>	<u>7,156,316</u>	<u>80,581</u>	<u>7,236,897</u>	<u>(67,220)</u>

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2020**

Total OPEB Liability	2018	2019	2020
Service costs	\$ 711,138	\$ 703,838	\$ 1,018,660
Interest	1,026,000	1,066,934	723,008
Differences between expected and actual experience	27,963	(1,054,307)	154,421
Changes in Assumptions/Inputs	-	(9,170,840)	4,590,851
Change in Benefit Terms	-	-	-
Benefit payments	(550,203)	(519,002)	(547,548)
Net change in OPEB liability	1,214,898	(8,973,377)	5,939,392
Total OPEB Liability, beginning	27,906,509	29,121,407	20,148,030
Total OPEB Liability, ending	\$ 29,121,407	\$ 20,148,030	\$ 26,087,422
Covered Employee Payroll	\$ 6,217,058	\$ 3,568,956	\$ 3,676,025
Net OPEB Liability as a percentage of covered-employee payroll	468.40%	564.54%	709.66%
Notes to Schedule:			
Benefit Changes	None	None	None
Changes of Assumptions:			
Discount Rate	3.62%	3.50%	2.21%
Mortality	RP-2000	RP-2000	RP-2000
Trend	5.50%	5.50%	5.50%

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

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Proportionate Share of the Net Pension Liability
June 30, 2020**

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency'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
2020	3.862970%	\$ 7,015,126	\$ 3,755,567	187%	77.9%
2019	3.643090%	\$ 6,059,557	\$ 3,381,455	179%	79.1%
2018	3.500420%	\$ 5,295,903	\$ 3,185,989	166%	79.7%
2017	3.486320%	\$ 6,449,602	\$ 3,182,106	203%	78.1%
2016	3.333254%	\$ 4,999,986	\$ 3,054,200	164%	62.7%
2015	3.324069%	\$ 4,483,710	\$ 3,002,232	149%	65.0%

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

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

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Pension Contributions
June 30, 2020**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2020	\$ 691,335	\$ 691,335	\$ -	\$ 3,638,607	19.0%
2019	\$ 713,558	\$ 713,558	\$ -	\$ 3,755,567	19.0%
2018	\$ 642,476	\$ 642,476	\$ -	\$ 3,381,455	19.0%
2017	\$ 599,018	\$ 599,018	\$ -	\$ 3,185,989	18.8%
2016	\$ 604,602	\$ 604,602	\$ -	\$ 3,182,106	19.0%
2015	\$ 565,027	\$ 565,027	\$ -	\$ 3,054,200	18.5%

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

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

**The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Notes to Required Supplemental Information
June 30, 2020**

Budgetary Information

The budget for the General Fund (Salary Fund) is prepared and is adopted annually on the cash basis of accounting. A preliminary budget for the General Fund for the ensuing year is prepared by the Clerk of Court during May of each year. The availability of the proposed budget for public inspection and the date of the public hearing on the budget are then advertised in the official journal. During June, the Clerk of Court holds a public hearing on the proposed budget in order to receive comments from the public and other interested parties. The General Fund budget is adopted during June of each year and notice is published in the official journal.

The proposed budget for the June 30, 2020, fiscal year was made available for public inspection at the Clerk of Court's office on June 14, 2019. The proposed budget, prepared on the cash basis of accounting, was published in the official journal ten days before the public hearing. The budget hearing was held at the Clerk's office on June 14, 2019.

Louisiana Revised Statute (LSA-R.S.) 39:1311 requires the chief executive or administrative officer of the Clerk of Court's office to advise the Clerk in writing when:

- (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated fund balance by five percent or more and fund balance is being used to fund current year expenditures.

The Clerk prepares necessary budget amendments when, in his judgment, actual operations differ materially from those anticipated in the original budget and formally adopts the amendments. The adoption of the amendments is published in the official journal. The General Fund budget for the fiscal year ended June 30, 2020, was amended on June 12, 2020.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. Formal budget integration is employed as a management control device during the year. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Pension Information

The schedule of the Caddo Parish Clerk of Court's proportionate share of the net pension liability and the schedule of the Caddo Parish Clerk of Court's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available. There were no changes of benefit terms nor changes in benefit assumptions for the year ended June 30, 2020.

OTHER SUPPLEMENTAL INFORMATION

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Compensation, Benefits and Other Payments
To Agency Head or Chief Executive Officer
June 30, 2020**

Mike Spence, Clerk of Court

Purpose:

Salary	\$ 178,048
Benefits - Insurance	21,659
Benefits - Retirement	34,027
Benefits - Other	-
Car Allowance	16,200
Per diem	828
Reimbursements	-
Cell Phone	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Unvouched expenses	-
Special meals	-
Total	<u>\$ 250,762</u>

**Supplemental information.
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Changes in Fiduciary Unsettled Deposits
For the Year Ended June 30, 2020**

	Jury Cost Fund	Advance Deposit Fund	Registry of Court Fund	Court Reporter Fund	Total
ADDITIONS:					
Deposits:					
Suits and successions	\$ 317,829	\$ 5,259,532	1,272,722	405,443	\$ 7,255,525
Bonds & liens	-	-	68,749	-	68,749
Interest earned on investments	25,439	-	64,441	3,455	93,335
Total Additions	<u>343,268</u>	<u>5,259,532</u>	<u>1,405,912</u>	<u>408,898</u>	<u>7,417,609</u>
DEDUCTIONS:					
Clerk's costs (transferred to					
General Fund)	-	2,742,002	-	28,377	2,770,378
Court reporter costs (transferred to					
Court reporter fund)	-	405,393	-	-	405,393
Judge's Compensation Fund	-	141,850	-	-	141,850
Judicial Court Expense Fund	-	83,633	-	-	83,633
Settlements to litigants	-	932,374	3,715,630	-	4,648,004
Attorney, curator, and notary fees	-	128,616	-	-	128,616
Battered Women's Fund	-	9,699	-	-	9,699
Pro Bono Projects	-	16,715	-	-	16,715
Stenographers' fees	-	-	-	265,922	265,922
Summons Fee	150,498	-	-	-	150,498
Sheriffs' fees	21,823	681,182	-	-	703,005
Bond refunds	69,143	6,500	-	-	75,643
Other reductions	39,955	31,313	10,000	24,489	105,757
Total Deductions	<u>281,419</u>	<u>5,179,277</u>	<u>3,725,630</u>	<u>318,788</u>	<u>9,505,112</u>
CHANGES IN UNSETTLED DEPOSITS	61,849	80,255	(2,319,718)	90,110	(2,087,504)
Unsettled Deposits - Beginning	<u>1,966,747</u>	<u>3,578,821</u>	<u>20,830,552</u>	<u>428,668</u>	<u>26,804,788</u>
Unsettled Deposits - Ending	<u>\$ 2,028,596</u>	<u>\$ 3,659,076</u>	<u>\$ 18,510,834</u>	<u>\$ 518,778</u>	<u>\$ 24,717,284</u>

**Supplemental information.
See the accompanying independent auditor's report.**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND THE LOUISIANA GOVERNMENTAL AUDIT GUIDE**

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with 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.



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

The Honorable Mike Spence
Caddo Parish Clerk of Court
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and each fiduciary fund type of the Caddo Parish Clerk of Court, Shreveport, Louisiana, a component unit of the Caddo Parish Commission, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Caddo Parish Clerk of Court's basic financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Caddo Parish 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 Caddo Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Caddo Parish Clerk of Court's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Caddo Parish 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.

This report is intended solely for the information and use of the Caddo Parish Clerk of Court, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record and is distributed by the Legislative Auditor under Louisiana Revised Statute 24:513.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
December 18, 2020

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Schedule of Findings
For the Year Ended June 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____ No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> _____ No	
Noncompliance material to the financial statements noted?	_____ Yes	_____ <u>X</u> _____ No	

Section II - Financial Statement Findings

See Summary Schedule of Audit Findings

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Summary Schedule of Audit Findings
For the Year Ended June 30, 2020**

FINDINGS RELATED TO COMPLIANCE

None

FINDINGS RELATED TO INTERNAL CONTROL

None

**CADDO PARISH CLERK OF COURT
SHREVEPORT, LOUISIANA**

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2020**

FINDINGS RELATED TO COMPLIANCE

None

FINDINGS RELATED TO INTERNAL CONTROL

None