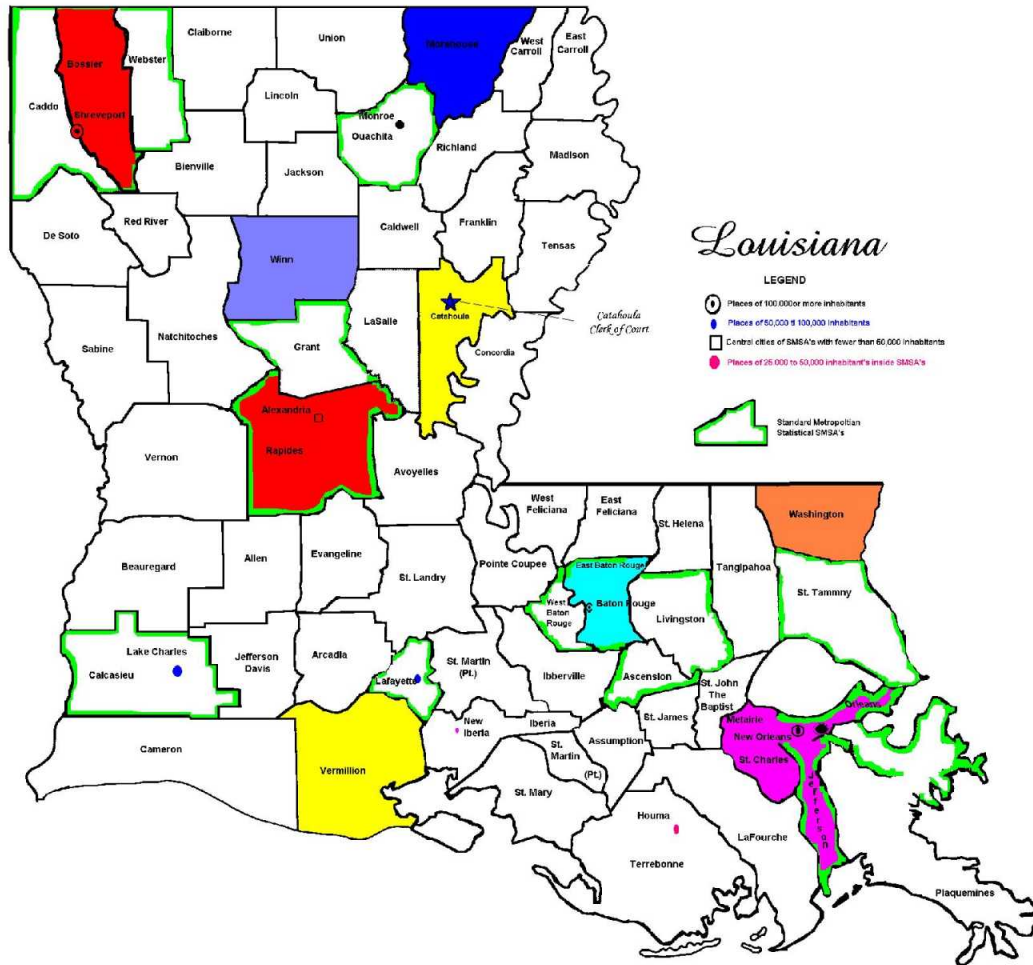


CATAHOULA PARISH CLERK OF COURT

Component Unit Financial Statements

JUNE 30, 2020

CATAHOULA PARISH CLERK OF COURT HARRISONBURG, LOUISIANA



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.

**CATAHOULA PARISH CLERK OF COURT
Harrisonburg, Louisiana
Component Unit Financial Statements
as of and for the Year Ended June 30, 2020**

C O N T E N T S

	Statement	Page No.
Independent Auditor's Report.....		1-3
Management's Discussion and Analysis.....		4-7
Basic Financial Statements:		
Statement of Net Position.....	A	9
Statement of Activities.....	B	10
Balance Sheet, Governmental Funds.....	C	11
Reconciliation of the Government Funds Balance Sheet to the Government-Wide Financial Statement of Net Position.....	D	12
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds.....	E	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	14
Statement of Fiduciary Net Position.....	G	15
Statement of Change in Fiduciary Net Position.....	H	16
Notes to the Basic Financial Statements.....		17-39
Required Supplemental Information:		
Statement of Revenues, Expenditures, & Changes in Fund Balance – Budget and Actual.....	1	41
Schedule of Funding Progress.....	2	42
Ten Year Schedule of the Employer's Proportionate Share of the Net Pension Liability.....	3	43
Ten Year Schedule of Employer Contributions.....	4	44
Note to Changes to Supplementary Information.....	5	45
Other Information:		
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....		47
Other Reports:		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		49-50
Schedule of Findings and Questioned Cost.....		51-52
Management Letter Comments.....		53
Management's Summary of Prior Year Findings.....		54

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

Honorable Larisa Field
Catahoula Parish Clerk of Court
Harrisonburg, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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. 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 and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, as of June 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in the notes to the employer schedules and statements, the total net pension liability for the Louisiana Clerks' of Court Retirement and Relief Fund was \$416,086 and the other post-employment benefits (OPEB) liability was \$759,537 as of June 30, 2020. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability and OPEB liability at June 30, 2020, could be under or overstated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budget comparison, and other supplemental information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Catahoula Parish Clerk of Court's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Compensation Benefits and

Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020, on our consideration of the Catahoula 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 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 Catahoula Parish Clerk of Court's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
September 29, 2020

Catahoula Parish Clerk of Court

Honorable Larisa Field, Clerk

PO Box 654

Harrisonburg, Louisiana 71340

Tel: (318) 744-5497

Fax: (318) 744-5488

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Catahoula Parish Clerk of Court, we offer readers of the Catahoula Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Clerk of Court for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Clerk of Court's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The liabilities of the Clerk exceeded its assets at the close of the most recent fiscal year by \$(1,003,878) (*net position*).
- The Clerk had total revenue of \$432,058, which is a \$7,580 decrease from last year's revenues.
- The Clerk had total expenditures of \$441,141, which is a \$21,974 increase from last year's expenditures.
- At the end of the current fiscal year, the Clerk had a net change in fund balance of \$(9,083), resulting in an ending fund balance of \$78,411.

OVERVIEW OF THE FINANCIAL STATEMENTS:

This discussion and analysis is intended to serve as an introduction to the Catahoula Parish Clerk of Court's basic financial statements. The Catahoula Parish Clerk of Court's basic financial statements consists of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Clerk of Court is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Clerk adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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

Reporting the Clerk's Department's Most Significant Funds

The Catahoula Parish Clerk of Court's financial statements provide detailed information about the most significant funds. The Catahoula Parish Clerk of Court may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

The basic financial statements include one kind of statement listed below.

- **General Fund**

The General 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's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

- **Fiduciary Funds**

The Advance Deposit and Registry of Court Agency Funds account for assets held as an agent for others. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

USING THIS ANNUAL REPORT

The Catahoula Parish Clerk of Court's annual report consists of financial statements that show information about the Catahoula Parish Clerk of Court's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Statement of Net Position

The following table represents a condensed Comparative Statement of Net Position as of June 30, 2020:

Assets	2019	2020	% Difference
Current Assets	\$ 90,871	\$ 81,783	-10.0
Capital Assets, Net	3,145	11,926	279.2
Total Assets	<u>94,016</u>	<u>93,709</u>	-0.3
 DEFERRED OUTFLOW OF RESOURCES			
Pension Fund Related	118,246	142,996	20.9
OPEB Related	18,167	2,123	-88.3
 Liabilities and Net Assets			
Current Liabilities	3,377	3,372	-0.2
Non-Current Liabilities	1,159,540	1,175,623	1.4
Total Liabilities	<u>1,162,917</u>	<u>1,178,995</u>	1.4
 DEFERRED INFLOW OF RESOURCES			
Pension Fund Related	74,381	63,711	-14.4
OPEB Related	-0-	-0-	0.0
 Net Position			
Net Investment in Capital Assets	3,145	11,926	279.2
Unrestricted	(1,010,014)	(1,015,804)	0.6
Total Net Position	<u>\$ (1,006,869)</u>	<u>\$ (1,003,878)</u>	-0.3

Changes in Fund Balances

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2020:

Revenue	2019	2020	% Difference
Fees & Charges	\$ 429,227	\$ 424,893	-1.0
Interest Income	2,568	3,444	34.1
Other	7,843	3,721	-52.5
Total Revenue	<u>439,638</u>	<u>432,058</u>	-1.7
 Expenditures			
Personnel & Related Benefits	296,760	293,000	-1.3
Operating Services	117,217	116,737	-0.4
Travel & Professional Development	500	538	7.6
Intergovernmental	4,690	30,866	558.1
Total Expenditures	<u>419,167</u>	<u>441,141</u>	5.2
Increase (Decrease) in Fund Balances	20,471	(9,083)	-144.4
 Beginning Fund Balances	 67,023	 87,494	 30.5
Ending Fund Balances	<u>\$ 87,494</u>	<u>\$ 78,411</u>	-10.4

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

CAPITAL ASSETS:

At June 30, 2020, the Catahoula Clerk of Court had \$11,926 invested in capital assets, net of accumulated depreciation, comprised of furniture and equipment.

Capital Assets at Year-End

	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Furniture & Equipment	\$ 123,902	\$ 137,451	10.9
Accumulated Depreciation	(120,757)	(125,525)	4.0
Total	<u>\$ 3,145</u>	<u>\$ 11,926</u>	279.2

CONTACTING THE CLERK’S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens with a general overview of the Clerk’s finances and to demonstrate the Clerk’s accountability for the money it receives. If you have questions about this report or need additional information, contact Larisa Field, Clerk of the Catahoula Clerk of Court, PO Box 654, Harrisonburg, Louisiana, 71340, at (318) 744-5497.

Basic Financial Statements

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Net Position
June 30, 2020**

	Governmental Activities
Current Assets	
Cash	\$ 58,823
Investments	15,000
Receivables (Net of Allowances for Uncollectable)	7,960
Total Current Assets	81,783
Non Current Assets	
Capital Assets (Net of Accumulated Depreciation)	11,926
Total Non Current Assets	11,926
Total Assets	93,709
DEFERRED OUTFLOW OF RESOURCES	
Pension Fund Related	142,996
OPEB Related	2,123
	145,119
Current Liabilities	
Accounts, Salaries, & Other Payables	3,372
Total Current Liabilities	3,372
Non Current Liabilities	
OPEB Obligation	759,537
Net Pension Liability	416,086
Total Non Current Liabilities	1,175,623
Total Liabilities	1,178,995
DEFERRED INFLOW OF RESOURCES	
Pension Fund Related	63,711
	63,711
Net Position	
Net Investment in Capital Assets	11,926
Unrestricted	(1,015,804)
Total Net Position	\$ (1,003,878)

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2020**

	PROGRAM REVENUES				NET (EXPENSES) REVENUES & CHANGES OF PRIMARY GOVERNMENT
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants	Governmental Activities
Governmental Activities					
General Government	\$ (426,373)	\$ 424,893	\$ -0-	\$ -0-	\$ (1,480)
Total Governmental Activities	\$ (426,373)	\$ 424,893	\$ -0-	\$ -0-	\$ (1,480)
				General Revenues	
				Interest Income	3,444
				Other Income	3,721
				Total General Revenues	7,165
				Change in Net Position	5,685
				Prior Period Adjustment	(2,694)
				Net Position - Beginning	(1,006,869)
				Net Position - Ending	\$ (1,003,878)

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2020**

		<u>Governmental Activities</u>
Assets		
Cash	\$	58,823
Investments		15,000
Receivables (Net of Allowances for Uncollectable)		7,960
Total Assets		<u>81,783</u>
Liabilities		
Accounts, Salaries, & Other Payables		3,372
Total Liabilities		<u>3,372</u>
Fund Balance		
Unassigned		78,411
Total Fund Balance		<u>78,411</u>
Total Liabilities & Fund Balances	\$	<u>81,783</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2020**

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

Fund Balance, Total Governmental Funds (Statement C)		\$ 78,411
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the governmental funds.		11,926
Deferred inflows and outflows of resources not recognized in the fund balance of Governmental Fund Statement.		
	Pension Related Inflows	(63,711)
	Pension Related Outflows	142,996
	OPEB Related Outflows	<u>2,123</u>
		81,408
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
	OPEB Obligation	(759,537)
	Net Pension Liability	<u>(416,086)</u>
		<u>(1,175,623)</u>
Net Position of Governmental Activities (Statement A)		<u>\$ (1,003,878)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020**

	Governmental Activities
Revenues	
Fees & Charges	\$ 424,893
Interest Income	3,444
Other	3,721
Total Revenues	432,058
 Expenditures	
Personnel & Related Benefits	293,000
Operating Services	116,737
Travel & Professional Development	538
Intergovernmental	30,866
Total Expenditures	441,141
 Net Change in Fund Balance	(9,083)
 Fund Balances-Beginning	87,494
Fund Balances-Ending	\$ 78,411

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2020**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (9,083)

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

	Capital Outlays	13,549	
	Depreciation	<u>(4,768)</u>	
			8,781

Governmental funds report pension outlays as expenditures. However, in the Statement of Activities, the cost is based on various assumptions made by the pension fund's actuary. Governmental funds do not recognize employee contributions to the pension fund as revenue.

	Difference in pension expenditures and pension expense	(1,219)	
	Pension related revenue	<u>25,194</u>	
			23,975

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	Payroll Related Benefits (OPEB)	<u>(17,988)</u>	
--	---------------------------------	-----------------	--

Changes in Net Position of Governmental Activities, Statement B \$ 5,685

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	Advance Deposit Fund	Registry of Court Fund	Total
Assets			
Cash & Cash Equivalents	\$ 265,242	\$ 652,139	\$ 917,381
Investments	363,000	-0-	363,000
Accounts Receivable	29,021	-0-	29,021
Total Assets	<u>657,263</u>	<u>652,139</u>	<u>1,309,402</u>
Liabilities			
Held For Others Pending Court Action	657,263	652,139	1,309,402
Total Liabilities	<u>657,263</u>	<u>652,139</u>	<u>1,309,402</u>
Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Additions			
Income	\$ 232,601	\$ 117,747	\$ 350,348
Total Additions	<u>232,601</u>	<u>117,747</u>	<u>350,348</u>
Deductions			
Disbursements	(230,664)	(348,473)	(579,137)
Total Deductions	<u>(230,664)</u>	<u>(348,473)</u>	<u>(579,137)</u>
Change in Liabilities	1,937	(230,726)	(228,789)
Liabilities – Beginning	<u>655,326</u>	<u>882,865</u>	<u>1,538,191</u>
Liabilities – Ending	<u>\$ 657,263</u>	<u>\$ 652,139</u>	<u>\$ 1,309,402</u>

The accompanying notes are an integral part of this statement.

**Notes to the Basic
Financial Statements**

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Catahoula Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the police jury, the clerk of court was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

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

Governmental Funds

Governmental funds account for all or most of the clerk'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 are the clerk's governmental funds:

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

General Fund

The General 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's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund

Fiduciary funds are used to account for assets held by the Entity in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities of the Entity, these funds are not incorporated into the government-wide statements.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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 Balances reports on the sources (i.e., revenue 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 clerk operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on the 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. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Marriage licenses, fees, charges, and commissions for services are recorded in the year they are earned.

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Expenditures

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

Other Financing Sources and Expenditures

Proceeds from and expenditures for the capital leases are recognized when received or due as another financing source and expenditure.

Government-Wide Financial Statements (GWFS)

These statements include all the financial activities of the clerk. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement NO. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues are derived directly from clerk users as a fee for services; program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

- Capital Assets, Net
- OPEB Obligation
- Pension Plan

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

E. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented GASB Statement 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 the purposes for which resources can be used:

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

F. CASH & INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, 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 Entity that the fiscal agent bank has failed to pay deposit 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 Entity's name.

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the entity's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at fiscal year-end. All deposits were secured at the year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- *Category 3* – Uncollateralized.

	Bank Balance 6/30/2020
Southern Heritage Bank	\$ 633,250
Catahoula/LaSalle Bank	755,651
Sicily Island Bank	3,000
Total	1,391,901
 <i>Secured as Follows:</i>	
FDIC (<i>Category – 1</i>)	843,000
Securities held by Bank in Clerk's name (<i>Category – 2</i>)	1,145,794
Uncollateralized (<i>Category – 3</i>)	-0-
Total	\$ 1,988,794

All deposits were fully secured at year end.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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, they are classified as cash equivalents.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. 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, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	10 - 20 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 7 years

K. VACATION & SICK LEAVE

Employees of the Clerk's office earn two weeks of vacation leave and five days of sick leave every two years. The leave must be used in the two years earned. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure to conform to generally accepted accounting principles.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

L. AMOUNTS DUE PARISH TREASURY

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/her term of office. At June 30, 2020, no determination of the amount that will be due, if any, can be made at this time.

M. ESTIMATES

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

2. RECEIVABLES

The receivables at June 30, 2020, are as follows:

Class of Receivable	General Fund	Advance Deposit Fund
Civil Suits	\$ -0-	\$ 29,021
Other	7,960	-0-
Total	\$ 7,960	\$ 29,021

Allowances for doubtful accounts are considered immaterial and therefore, are not presented.

3. CAPITAL ASSETS

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

Governmental Activities	Balance 6-30-19	Additions	Deletions	Balance 6-30-20
Furniture & Equipment	\$ 123,902	\$ 13,549	\$ -0-	\$ 137,451
Less Accumulated Depreciation	(120,757)	(4,768)	-0-	(125,525)
Capital Assets, Net	\$ 3,145	\$ 8,781	\$ -0-	\$ 11,926

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

4. ACCOUNTS, SALARIES, & OTHER PAYABLES

The payables of \$3,372 at June 30, 2020, are as follows:

Description	General Fund
Accounts Payable	\$ 3,372

5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Catahoula Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The Catahoula 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 benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 25 years of service; or, attainment of age 60 and 12 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	4
	7

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Total OPEB Liability

The Clerk's total OPEB liability of \$759,537 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary Increases	3.0%, including inflation
Prior Discount Rate	3.50% annually
Discount Rate	2.21% annually
Healthcare Cost Trend Rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the 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	\$ <u>752,695</u>
Changes for the year:	
Service cost	12,728
Interest	26,567
Differences between expected and actual experience	(198,792)
Changes of Assumptions	188,885
Benefit payments and net transfers	<u>(22,546)</u>
Net changes	<u>6,842</u>
Balance at June 30, 2020	\$ <u><u>759,537</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
Total OPEB liability	\$ 915,924	\$ 759,537	\$ 638,229

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 694,347	\$ 759,537	\$ 841,548

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

For the year ended June 30, 2020, the Clerk recognized OPEB expense of \$40,533. At June 30, 2020, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,533	\$ (174,312)
Changes in assumptions	161,901	-
Total	\$ 176,435	\$ (174,312)

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

Years ending June 30:	
2021	1,238
2022	1,238
2023	1,238
2024	1,238
2025	(1,415)
Thereafter	(1,415)

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

6. PENSION PLAN

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

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (PENSIONS)

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

Basis of Accounting:

The Louisiana Clerks' of Court Retirement and Relief Fund's employer pension schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The members' earnable compensation is attributed to the employer for which the member is employed as of June 30, 2019.

Plan Fiduciary Net Position:

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

Pension Amount Netting:

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

A. PLAN DESCRIPTION:

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

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

Retirement Benefits:

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

Disability Benefits:

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Survivor Benefits:

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $\frac{1}{4}$ 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 $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan (DROP):

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

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

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

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

Cost of Living Adjustments (COLAs):

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

B. EMPLOYER 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 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 System for the year ended June 30, 2019, was \$10,995,780.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

C. SCHEDULE OF EMPLOYER ALLOCATIONS:

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

The allocation method used in determining each employer's proportion was based on 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.

D. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER:

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

E. 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 Fund's participating employers as of June 30, 2019, are as follows:

	<u>2019</u>
Total Pension Liability	\$ 822,803,946
Plan Fiduciary Net Position	<u>(641,204,758)</u>
Total Net Position Liability	\$ <u>181,599,188</u>

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense, including inflation
Projected Salary Increases	5.00%
Inflation Rate	2.50%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females)/ RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)/ RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females
Expected Remaining Service Lives	2019 - 5 years 2018 - 5 years 2017 - 5 years 2016 - 5 years 2015 - 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The 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 setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.38%, for the year ended June 30, 2019. Best estimates of geometric real rates of return for each major asset class included in the 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	20.0%	2.50%
International Bonds		3.50%
Domestic Equity	33.0%	7.50%
International Equity	27.0%	8.50%
Real Estate	10.0%	4.50%
Hedge Funds	10.0%	6.59%
	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement System's Actuarial Committee (PRSAC), taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. SENSITIVITY TO CHANGES IN DISCOUNT RATE:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 5.75%, or one percentage point higher, 7.75%, than the current rate as of June 30, 2019:

	Changes in Discount Rate:		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	<u>\$269,826,214</u>	<u>\$181,599,18</u>	<u>\$106,751,926</u>

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

G. 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. The difference between expected and actual experience resulted in a deferred inflow of resources and pension benefit as of June 30, 2019 as follows:

			June 30, 2019			
	Deferred Outflows		Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2019	\$ 2,777,735	\$	-0-	\$ 555,547	\$ 2,222,188	\$ -0-
2018	1,095,858		-0-	273,964	821,894	-0-
2017	2,374,392		-0-	791,464	1,582,928	-0-
2016	943,965		-0-	471,982	47,983	-0-
2015	\$ -0-	\$	1,643,138	\$ (1,643,138)	-0-	-0-
				Totals	\$ 5,098,993	\$ -0-

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred inflow of resources and pension benefit as of June 30, 2019 as follows:

			June 30, 2019				
	Deferred Outflows		Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows	Net Deferred Inflows Balance
2019	\$ 22,335,962	\$	-0-	\$ 4,467,192	\$ 17,868,770	\$ -0-	\$ 17,868,770
2018	181,085		-0-	45,271	138,814	-0-	135,814
2017	-0-		18,460,844	(6,153,615)	-0-	12,307,229	(12,307,229)
2016	16,743,241		-0-	8,371,621	8,371,620	-0-	8,371,620
2015	\$ 4,711,468	\$	-0-	\$ 4,711,468	-0-	-0-	-0-
				Totals	\$ 26,376,204	\$ 12,307,229	\$ 14,068,975

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Changes of Assumption:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources and pension expense as of June 30, 2019 as follows:

		June 30, 2019			
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2019	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2018	15,477,901	-0-	3,869,475	11,608,426	-0-
2017	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-
2015	\$ 1,803,249	\$ -0-	\$ 1,803,249	-0-	-0-
			Totals	\$ 11,608,426	\$ -0-

Change in Proportion:

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

H. 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.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

I. DISAGGREGATED PENSION AMOUNTS:

	<u>Amounts from the 2019 Employer Pension Report</u>		<u>2020 Employer Specific Amounts</u>		<u>2020 Total Pension Amounts</u>
Net Pension Liability	\$ 416,086	\$	-0-	\$	416,086
<i>Deferred Outflows of Resources Related to Pensions:</i>					
Deferred Outflows - Differences b/w Expected & Actual Experience	\$ 10,613	\$	-0-	\$	10,613
Deferred Outflows - Difference b/w Projected & Actual Investment Earnings	4,800		-0-		4,800
Deferred Outflows - Changes of Assumptions	15,285		-0-		15,285
Deferred Outflows - Changes in Proportion & Diff. b/w Actual & Proportionate Contr.'s	2,605		(286)		2,319
Deferred Outflows - Contributions Subsequent to Measurement Date	-0-		59,271		59,271
<i>Deferred Inflows of Resources Related to Pensions:</i>					
Deferred Inflows - Differences b/w Expected & Actual Experience	\$ 9,196	\$	-0-	\$	9,196
Deferred Inflows - Difference b/w Projected & Actual Investment Earnings	-0-		-0-		-0-
Deferred Inflows - Changes of Assumptions	-0-		-0-		-0-
Deferred Inflows - Changes in Proportion & Diff. b/w Actual & Proportionate Contr.'s	94,730		-0-		94,730
Pension Expense	\$ 60,204	\$	286	\$	60,490
Revenue	\$ 25,194	\$	-0-	\$	25,194

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

J. RETIREMENT FUND AUDIT REPORT:

The Louisiana Clerks' of Court Retirement and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov.

K. ESTIMATES:

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

8. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH POLICE JURY

The Clerk of Court's Office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse are, as required by Louisiana law, paid by the Catahoula Parish Police Jury. These expenditures are not included in the accompanying financial statements.

9. CHANGES IN AGENCY ASSETS

A summary of changes in agency assets due to taxing bodies and others follows:

	Balance 6-30-19		Additions		Reductions		Balance 6-30-20
Advance Deposit Fund	\$ 655,326	\$	232,601	\$	(230,664)	\$	657,263
Registry of Court Fund	882,865		117,747		(348,473)		652,139
Total	\$ 1,538,191	\$	350,348	\$	(579,137)	\$	1,309,402

10. DEFICIT IN NET POSITION

The Office has a deficit in net position of \$(1,048,330) in the general fund caused by the OPEB obligation of \$759,537 and net pension liability of \$416,086.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

11. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, September 29, 2020, of the independent auditor's report for potential recognition or disclosure in the financial statements.

12. CONTINGENCIES

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

Required Supplemental Information

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual Amounts Budgetary Basis	Budget Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees & Charges	\$ 400,600	\$ 394,000	\$ 424,893	\$ 30,893
Interest Income	-0-	-0-	3,444	3,444
Other	-0-	-0-	3,721	3,721
Total Revenues	400,600	394,000	432,058	38,058
Expenditures				
Personnel & Related Benefits	230,000	249,000	293,000	(44,000)
Operating Services	153,000	170,700	116,737	53,963
Travel & Professional Development	600	600	538	62
Intergovernmental	9,000	22,600	30,866	(8,266)
Capital Outlay	-0-	-0-	-0-	-0-
Miscellaneous	8,000	20,000	-0-	20,000
Total Expenditures	\$ 400,600	\$ 462,900	441,141	\$ 21,759
Net Change in Fund Balance			(9,083)	
Fund Balances-Beginning			87,494	
Fund Balances-Ending			\$ 78,411	

See independent auditor's report.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020**

	<u>6-30-18</u>	<u>6-30-19</u>	<u>6-30-20</u>
Total OPEB Liability			
Service Cost	\$ 8,687	\$ 9,031	\$ 12,728
Interest	25,632	25,514	26,567
Changes in Benefit Terms	-0-	-0-	-0-
Differences Between Expected and Actual Experience	(6,858)	21,800	(198,792)
Changes in Assumptions	-0-	-0-	188,885
Benefit Payments	<u>(26,645)</u>	<u>(28,110)</u>	<u>(22,546)</u>
Net Change in Total OPEB Liability	816	28,235	6,842
Total OPEB Liability – Beginning	<u>723,644</u>	<u>724,460</u>	<u>752,695</u>
Total OPEB Liability – Ending	\$ <u>724,460</u>	\$ <u>752,695</u>	\$ <u>759,537</u>
Covered – Employee Payroll	\$ 192,209	\$ 197,975	\$ 217,975
Net OPEB Liability as a Percentage of Covered – Employee Payroll	376.91%	380.20%	348.45%
Notes to Schedule:			
Benefit Change:	None	None	None
Changes of Assumptions:			
Discount Rate:	3.50%	3.50%	2.21%
Mortality:	RP-2000	RP-2000	RP-2014
Trend:	5.5%	5.5%	Variable

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

See independent auditor's report.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Ten Year Schedule of the Employer's
Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2020**

Year	Employer's Proportion of the NPL (Percentage)	Employer's Proportionate Share of the NPL (Amount)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the NPL as a Percentage of Its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.31%	\$424,485	\$284,958	67.13%	25.99%
2016	0.314975%	\$472,472	\$280,175	59.30%	27.90%
2017	0.31%	\$565,454	\$208,974	36.96%	78.36%
2018	0.23%	\$350,461	\$227,104	64.80%	79.69%
2019	0.24%	\$406,845	\$241,366	59.33%	79.07%
2020	0.23%	\$416,086	\$217,510	52.28%	77.93%

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

See independent auditor's report.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Ten Year Schedule of Employer Contributions
For the Year Ended June 30, 2020**

Year	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contribution as a Percentage of Covered Employee Payroll
2015	\$52,518	\$54,142	\$(1,624)	\$284,958	19%
2016	\$76,501	\$76,501	\$-0-	\$280,175	19%
2017	\$53,007	\$53,007	\$-0-	\$208,974	19%
2018	\$43,150	\$43,150	\$-0-	\$227,104	19%
2019	\$45,860	\$45,860	\$-0-	\$241,366	19%
2020	\$42,329	\$42,329	\$-0-	\$217,510	19%

*Note: covered payroll used is during the measurement period.

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

See independent auditor's report.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Note to Changes to Supplementary Information
For the Year Ended June 30, 2020**

Changes in Valuation

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources and pension expense as of June 30, 2019 as follows:

						June 30, 2019		
		Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)			Deferred Outflows	Deferred Inflows
2019	\$	-0-	S -0-	\$ -0-	S	-0-	\$ -0-	
2018		15,477,901	-0-	3,869,475		11,608,426	-0-	
2017		-0-	-0-	-0-		-0-	-0-	
2016		-0-	-0-	-0-		-0-	-0-	
2015	\$	1,803,249	S -0-	\$ 1,803,249		-0-	-0-	
				Totals	S	<u>11,608,426</u>	<u>\$ -0-</u>	

See independent auditor's report.



Other Information

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2020**

Catahoula Clerk of Court, Honorable Larisa Field

Purpose	Amount
Salary	\$ 148,229
Benefits-Insurance	8,064
Benefits-Retirement	28,164
Benefits (Expense Allowance)	900
Car Allowance	7,418
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	500
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

Other Reports

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

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*

Honorable Larisa Field
Catahoula Parish Clerk of Court

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Clerk of Court's basic financial statements, and have issued our report thereon dated September 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Catahoula 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 Catahoula Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Catahoula 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned

Costs that we consider to be significant deficiencies: **(2020-1 Old Outstanding Checks in Advance Deposit Account)**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Catahoula 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*.

The Catahoula Clerk of Court's Response to Findings

The Catahoula Clerk of Court's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Catahoula Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana

September 29, 2020

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2020**

We were engaged to audit the financial statements of the Catahoula Clerk of Court, Harrisonburg, Louisiana, as of and for the year ended June 30, 2020, and have issued our report thereon dated September 29, 2020. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2020, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2020**

Section II Financial Statement Findings

2020-1 Old Outstanding Checks in Advance Deposit Account (Internal Control)

Condition: The Advance Deposit Account has \$14,539 in outstanding checks that are more than 6 months old.

Criteria: Unclaimed moneys should be sent to the State Unclaimed Property.

Cause of Condition: Not sending the funds to the State Unclaimed Property

Potential Effect of Condition: Funds not being remitted to the rightful owner.

Recommendation: Old outstanding checks should be researched and the amounts paid to the rightful owners or the amounts should be sent to the State Unclaimed Property.

Client Response: Old outstanding checks will be researched and the amounts paid to the rightful owners or the amounts will be sent to the State Unclaimed Property.

Contact Person: Larisa Field, Clerk of Court

Anticipated Completion Date: June 30, 2021

Section III Federal Awards Findings and Questioned Costs

Not applicable.

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Catahoula Clerk of Court's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No comments.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
JUNE 30, 2020**

**MANAGEMENT’S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Clerk of Court, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2019.

PRIOR YEAR MANAGEMENT LETTER COMMENTS

2019-1-Old Outstanding Checks in Advance Deposit Account (Unresolved)

Condition: The Advance Deposit Account has \$14,093 in outstanding checks that are more than 6 months old.

Criteria: Unclaimed moneys should be sent to the State Unclaimed Property.

Cause of Condition: Not sending the funds to the State Unclaimed Property.

Potential Effect of Condition: Funds not being remitted to the rightful owner.

Recommendation: Old outstanding checks should be researched and the amounts paid to the rightful owners or the amounts should be sent to the State Unclaimed Property.

Client Response: Old outstanding checks will be researched and the amounts paid to the rightful owners or the amounts will be sent to the State Unclaimed Property.