

**CALDWELL PARISH CLERK OF COURT  
COLUMBIA, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2020**

Caldwell Parish Clerk of Court  
Columbia, Louisiana

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Caldwell Parish Clerk of Court  
Columbia, Louisiana

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**T | C | B | T**  
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INDEPENDENT AUDITORS' REPORT

Honorable Cherie Cox  
Caldwell Parish Clerk of Court  
P. O. Box 1327  
Columbia, LA 71418

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the Caldwell Parish Clerk of Court, a component unit of the Caldwell Parish Police Jury, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

### ***Opinions***

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

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

#### *Other Reporting Required by Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPAs*

Thomas, Cunningham, Broadway & Todtenbier  
Certified Public Accountants  
Natchitoches, Louisiana

December 7, 2020

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

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

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 198,950
Receivables	<u>6,797</u>
Total Current Assets	\$ 205,747
Noncurrent Assets-	
Capital Assets, Net	<u>11,932</u>
Total Assets	\$ <u>217,679</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension	\$ 122,821
OPEB	<u>15,986</u>
Total Deferred Outflows of Resources	\$ <u>138,807</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable & Payroll Liabilities	\$ <u>10,490</u>
Long-term Liabilities-	
Other Post-Employment Benefits	\$ 447,003
Net Pension Liability	<u>428,049</u>
Total Long-Term Liabilities	\$ <u>875,052</u>
Total Liabilities	\$ <u>885,542</u>
DEFERRED INFLOWS OF RESOURCES:	
Pension	\$ 7,936
OPEB	<u>314,040</u>
Total Deferred Inflows of Resources	\$ <u>321,976</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 11,932
Unrestricted Net Position	<u>(862,964)</u>
Total Net Position	\$ <u>(851,032)</u>

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



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

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	\$490,005	\$395,829	\$24,600	\$15,596	\$ (53,980)
			General Revenues:		
			Interest		\$ 5,567
			Non-Employer Pension Revenue		<u>25,918</u>
			Total General Revenues		\$ <u>31,485</u>
			Change in Net Position		\$ (22,495)
			Net Position June 30, 2019		(828,537)
			Net Position June 30, 2020		<u>\$(851,032)</u>

## FUND FINANCIAL STATEMENTS

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

ASSETS:

Cash & Cash Equivalents	\$198,950
Receivables	<u>6,797</u>
Total Assets	<u>\$205,747</u>

LIABILITIES:

Accounts Payable & Payroll Liabilities	\$ 10,490
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FUND BALANCE:

Unassigned	<u>195,257</u>
Total Liabilities & Fund Balance	<u>\$205,747</u>

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

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

Total Fund Balance for the Governmental Fund at June 30, 2020 \$ 195,257

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

The following used in Governmental Activities are not  
financial resources and, therefore, are not reported  
in the fund:

Furniture, Fixtures & Equipment	99,338
Less, Accumulated Depreciation	(87,406)
Deferred Outflows of Resources	138,807

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

Other Post-Employment Benefits	(447,003)
Net Pension Liability	(428,049)
Deferred Inflows of Resources	<u>(321,976)</u>

Total Net Position of Governmental Activities at June 30, 2020 \$(851,032)

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

REVENUES:

Licenses & Permits-	
Marriage Licenses	\$ 1,595
Charges for Services-	
Court Costs, Fees & Charges	226,010
Recording Fees	152,387
Photocopying Fees	15,837
Intergovernmental-	
Supplemental Compensation Fund	24,600
Grant Revenue	15,596
Miscellaneous-	
Interest	<u>5,567</u>
Total Revenues	<u>\$441,592</u>

EXPENDITURES:

Current-	
Judicial-	
Personnel Services	\$383,907
Operating Services	53,362
Operating Supplies	18,497
Other Charges	<u>3,049</u>
Total Expenditures	<u>\$458,815</u>
Deficiency of Revenues over Expenditures	\$ (17,223)
Fund Balance-Beginning of Year	<u>212,480</u>
Fund Balance-End of Year	<u>\$195,257</u>

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

Caldwell Parish Clerk of Court  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2020

Net Change in Fund Balance - Governmental Fund	\$(17,223)
The Change in Net Position reported for Governmental Activities In the Statement of Activities is different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance	25,918
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts are:	
Depreciation Expense	(4,849)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance-	
Change in Other Post-Employment Benefits	21,104
Change in Pension Expense	<u>(47,445)</u>
Change in Net Position of Governmental Activities	<u>\$(22,495)</u>

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

Caldwell Parish Clerk of Court  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$ <u>299,974</u>	\$ <u>215,376</u>	\$ <u>515,350</u>
LIABILITIES:			
Due to Others	\$ <u>299,974</u>	\$ <u>215,376</u>	\$ <u>515,350</u>

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

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

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
ADDITIONS:			
Suits and Successions	\$242,651	\$ 0	\$242,651
Interest Income	<u>2,831</u>	<u>389</u>	<u>3,220</u>
Total Additions	<u>\$245,482</u>	<u>\$ 389</u>	<u>\$245,871</u>
DEDUCTIONS:			
Clerk's Costs (paid to general fund)	\$162,802	\$ 0	\$162,802
Settlements to Litigants	56,068	9,072	65,140
Sheriff's Fees	<u>16,805</u>	<u>0</u>	<u>16,805</u>
Total Deductions	<u>\$235,675</u>	<u>\$ 9,072</u>	<u>\$244,747</u>
Change in Liabilities	\$ 9,807	\$ (8,683)	\$ 1,124
Liabilities-Beginning	<u>290,167</u>	<u>224,059</u>	<u>514,226</u>
Liabilities-Ending	<u>\$299,974</u>	<u>\$215,376</u>	<u>\$515,350</u>

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



## NOTES TO FINANCIAL STATEMENTS

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

Introduction:

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

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

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

B. REPORTING ENTITY-

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

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

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

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

Because the Caldwell Parish Police Jury provides office facilities for the Clerk of Court, the Clerk of Court was determined to be fiscally dependent on the Police Jury and accordingly is considered to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the Caldwell Parish 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 Caldwell Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. An emphasis is placed on major funds, and the General Fund is considered to be a major fund.

Governmental Fund

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

Fiduciary Funds

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Revenues-

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

Expenditures-

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

E. BUDGETARY ACCOUNTING-

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

F. CASH AND CASH EQUIVALENTS-

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

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

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. The Clerk's policy is to include time deposits and certificates of deposit in cash equivalents.

G. INVESTMENTS-

Investments are limited by R. S. 33:2955 and the Caldwell Parish 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. RECEIVABLES-

All receivables are reported at their gross value. The Clerk expects to collect all balances due, and no allowance for bad debts is recorded.

I. CAPITAL ASSETS-

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the Caldwell Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 15 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized. The Clerk maintains a threshold level of \$500 or more for capitalizing assets.

J. COMPENSATED ABSENCES-

Full-time employees of the Caldwell Parish Clerk of Court earn vacation and sick leave each year as follows:

<u>Period of Continuous Service</u>	<u>Vacation Days</u>	<u>Sick Days</u>
Up to 6 Months	5	
6 Months to 10 Years	10	
Greater than 10 Years	15	
Per Fiscal Year		10

Vacation and sick leave days are not cumulative and must be used during the period earned. Although the fiscal year ends on June 30<sup>th</sup>, these amounts are not accrued as they are deemed immaterial. Accordingly, the Caldwell Parish Clerk of Court has no accumulated and vested benefits related to vacation leave or sick leave. The cost of leave privileges is recognized as a current expenditure in the General Fund when leave is actually taken.

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

K. PENSIONS-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

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

M. ESTIMATES-

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

N. EQUITY CLASSIFICATIONS-

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

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

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

The General Fund, the Clerk of Court's only governmental fund, has an unassigned fund balance of \$195,257. If applicable, 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.

2. Cash and Cash Equivalents and Related Credit Risk:

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

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Clerk of Court will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk of Court's name.

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

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

At June 30, 2020, the Clerk of Court had cash and cash equivalents (book balances) totaling \$714,300 as follows:

Demand Deposits	\$ 58,857
Interest-bearing Demand Deposits	292,722
Time Deposits	<u>362,721</u>
Total	<u>\$714,300</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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 bank. 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.

At June 30, 2020, the Clerk of Court has \$733,582 in collected bank balances. These deposits are secured from credit risk as follows:

Collected Bank Balances	\$ 733,582
FDIC Insurance	(500,000)
Pledged Securities	<u>(233,582)</u>
Balance Subject to Credit Risk	\$ <u>0</u>

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB, 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 has failed to pay deposited funds upon demand.

3. Receivables:

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

<u>Class of Receivable</u>	<u>Total</u>
Charges for Services	\$3,966
Due from Advance Deposit	<u>2,831</u>
Total	<u>\$6,797</u>

4. Capital Assets:

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

	Balance <u>07-01-19</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06-30-20</u>
Governmental Activities-				
Furniture, fixtures, and equipment	\$ 99,338	\$ 0	\$0	\$ 99,338
Less, accumulated depreciation	<u>(82,557)</u>	<u>(4,849)</u>	<u>0</u>	<u>(87,406)</u>
Total Capital Assets, net	<u>\$ 16,781</u>	<u>\$(4,849)</u>	<u>\$ 0</u>	<u>\$ 11,932</u>

Depreciation expense of \$4,849 was charged to the judicial function.



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

5. Accounts Payable and Accruals:

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

<u>Class of Payable</u>	<u>Total</u>
Payroll Related Accruals	\$ 8,461
Vendor	<u>2,029</u>
Total	<u>\$10,490</u>

6. Pension Plan:

*Plan Description*

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

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

**Retirement Benefits**

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

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

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

**Deferred Retirement Option Plan**

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to 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 ceases; 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 DROP account equal to the payments to the account or a true annuity bases 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. Interest accruals cease upon termination of employment.

Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. Effective January 1, 2011, the average compensation for members whose additional service is less than thirty-six 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 thirty-six 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.

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

### **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.

### *Contributions*

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

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the year ended June 30, 2020 was \$25,918.

The Clerk of Court's contractually required composite contribution rate for the year ended June 30, 2020 was 19% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Clerk of Court were \$43,234 for the year ended June 30, 2020. The Clerk of Court has elected under state statute to pay both the employer and the employee contributions to the retirement system. Due to this election, the Clerk of Court contributed an additional \$18,773 on behalf of the employees for the year.

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

For the years ending June 30, 2020, and 2019 the Clerk of Court reported a liability of \$428,049 and \$403,535, respectively, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Clerk of Court's proportion of the Net Pension Liability was based on a projection of the Clerk of Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the years ending June 30, 2020, and 2019 the Clerk of Court's proportion was .23571% and .24261%, respectively, which was a decrease of .00690% from its proportion measured as of June 30, 2019.

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

For the years ending June 30, 2020 and 2019, the Clerk of Court recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$90,679 and \$76,987, respectively.

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	\$ 12,019	\$7,899
Changes in assumption	33,162	0
Net difference between projected and actual earnings on pension plan investments	27,362	0
Changes in employer's proportion of beginning net pension liability	7,034	0
Differences between employer contributions and proportionate share of employer contributions	10	37
Subsequent Measurement Contributions	43,234	0
Total	\$122,821	\$7,936

The deferred outflows of resources related to pensions resulting from Caldwell Parish Clerk of Court contributions subsequent to the measurement date in the amount of \$43,234, will be recognized as a reduction of the Net Pension Liabilities in the year of June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$31,231
2021	9,544
2022	21,017
2023	9,857
Total	\$71,649

*Actuarial Assumptions*

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

Caldwell Parish Clerk of Court  
Notes to Financial Statements  
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A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.00%
Inflation Rate	2.5%
Mortality Rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA
Expected Remaining Service Lives	2015-2019- 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The mortality rate assumption used was verified by combining data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 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.

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.

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income:		
Domestic Bonds	5.00%	2.50%
International Bonds	15.00%	3.50%
Domestic Equity	33.0%	7.50%
International Equity	27.0%	8.50%
Real Estate	10.00%	4.50%
Hedge Funds	<u>10.00%</u>	6.59%
	<u>100.00%</u>	

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

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Clerk of Court's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Clerk of Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability	\$636,010	\$428,049	\$251,626

*Pension Plan Fiduciary Net Position*

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

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$5,124, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

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

7. Other Post-Employment Benefits:

*Plan description* – The Caldwell Parish Clerk of Court (the Clerk) defined benefit postemployment healthcare plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Clerk. The Clerk’s OPEB plan is a single employer defined benefit OPEB plan administered by the Clerk. Benefits are provided through the Louisiana Clerk of Court Insurance Trust (“LCCIT”), a multiple-employer healthcare plan administered by the Louisiana Clerk of Court Association. Louisiana Revised Statute §13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the LCCIT board of trustees, with the Clerk determining the contribution requirements of the retirees.

*Benefits Provided* – The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree and 100% of dependent pre-Medicare health, Medicare Advantage, vision, and dental insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums.

*Employees covered by benefit terms* – At January 1, 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	0
Active employees	4
	7
	7

**Total OPEB Liability**

The Clerk’s total OPEB liability of \$447,003 was measured as of June 30, 2020 and was determined by an actuarial valuation as of January 1, 2020.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 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	2.40%
Salary increases	3.25%, including inflation
Discount rate	2.45%
<b>Healthcare cost trend rates:</b>	
Medical-	6.5% for 2021, decreasing 0.25% per year to an ultimate rate of 5.0% for 2027 and beyond
Medicare Advantage-	5.0% for 2021, decreasing 0.25% per year to an ultimate rate of 3.0% for 2029 and beyond. Includes 2% per year for aging.
Dental-	3.0% annual trend
Vision-	3.0% annual trend

The discount rate was based on the 6/30/2020 Fidelity General Obligation AA 20-Year Yield.

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

Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2019 for males or females, as appropriate. Mortality rates for retired employees were based on the PubG.H-2010 Healthy Retiree mortality table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

The actuarial assumptions used in the valuation were based on those used in the Louisiana Clerks of Court Retirement and Relief Fund valuation and actual experience.

**Changes in the Total OPEB Liability**

Balance at June 30, 2019	\$ 784,145
Changes for the year:	
Service cost	10,919
Interest	27,535
Differences between expected and actual experience	(172,738)
Changes in Assumptions/Inputs	(186,165)
Benefit payments and net transfers	(16,693)
Net changes	(337,142)
Balance at June 30, 2020	\$ 447,003

*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 (1.45%) or 1-percentage-point higher (3.45%) than the current discount rate:

	<b>1.0% Decrease (1.45%)</b>	<b>Current Discount Rate (2.45%)</b>	<b>1.0% Increase (3.45%)</b>
Total OPEB liability	\$525,677	\$447,003	\$383,600

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

	<b>1.0% Decrease</b>	<b>Current Trend</b>	<b>1.0% Increase</b>
Total OPEB liability	\$409,323	\$447,003	\$507,691

**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 \$(4,411). 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	\$15,986	\$151,145
Changes of assumptions or other inputs	0	162,895
Total	\$15,986	\$314,040



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

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	\$ (42,865)
2022	(42,865)
2023	(42,865)
2024	(42,865)
2025	(42,865)
Thereafter	(83,729)

8. Risk Management:

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

9. Expenditures of the Clerk of Court Paid by the Parish Police Jury:

Certain expenses of the Caldwell Parish Clerk of Court's office are paid by the Caldwell Parish Police Jury. In addition to furnishing the building where the Clerk of Court's office is located, the Caldwell Parish Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk of Court's office.

10. Deferred Compensation Plan:

All of the employees of the Caldwell Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$19,500 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Clerk of Court matches 100% of the employee contribution up to \$300 per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2020, the Clerk of Court's matching funds totaled \$8,521.

11. Subsequent Events:

Management has evaluated events through December 7, 2020, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

12. Contingency:

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Licenses & Permits	\$ 1,500	\$ 1,400	\$ 1,595	\$ 195
Charges for Services	399,200	354,550	394,234	39,684
Intergovernmental- Supplemental Compensation Fund	23,350	24,500	24,600	100
Grant Revenue	25,000	15,596	15,596	0
Miscellaneous- Interest	500	10,745	5,567	(5,178)
Miscellaneous	400	23,200	0	(23,200)
Total Revenues	<u>\$449,950</u>	<u>\$429,991</u>	<u>\$441,592</u>	<u>\$ 11,601</u>
EXPENDITURES:				
Judicial- Current- Personnel Services	\$370,000	\$380,000	\$383,907	\$ (3,907)
Operating Services	67,000	73,000	53,362	19,638
Operating Supplies	37,100	40,000	18,497	21,503
Miscellaneous	20,100	2,500	3,049	(549)
Capital Expenditures	0	0	0	0
Total Expenditures	<u>\$494,200</u>	<u>\$495,500</u>	<u>\$458,815</u>	<u>\$ 36,685</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (44,250)	\$ (65,509)	\$ (17,223)	\$ 48,286
Fund Balance – Beginning of Year	<u>212,480</u>	<u>212,480</u>	<u>212,480</u>	<u>0</u>
Fund Balance – End of Year	<u>\$168,230</u>	<u>\$146,971</u>	<u>\$195,257</u>	<u>\$ 48,286</u>

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

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

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	0.22589%	\$304,698	\$211,415	144%	79.37%
2016	0.23124%	\$346,873	\$213,650	162%	78.13%
2017	0.23407%	\$433,027	\$214,780	202%	74.17%
2018	0.23808%	\$360,196	\$252,261	143%	79.69%
2019	0.24261%	\$403,535	\$229,191	176%	79.07%
2020	0.23571%	\$428,049	\$227,548	188%	77.93%

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

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

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$40,169	\$40,169	\$0	\$211,415	18.8%
2016	\$40,594	\$40,594	\$0	\$213,650	19.0%
2017	\$40,808	\$40,808	\$0	\$214,780	19.0%
2018	\$42,800	\$42,800	\$0	\$252,261	17.0%
2019	\$43,546	\$43,546	\$0	\$229,191	19.0%
2020	\$43,234	\$43,234	\$0	\$227,548	19.0%

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

Changes of Assumptions:

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

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

Year			2020	2019	2018
Service Cost			\$ 10,919	\$ 16,730	10,749
Interest			27,535	26,320	26,587
Differences Between Expected and Actual Experiences			(172,738)	18,734	(22,382)
Changes in Assumptions/ Inputs			(186,165)	-	
Benefit Payments			(16,693)	(21,285)	(20,176)
Net Change In Total OPEB Liability			(337,142)	40,499	(5,222)
Beginning OPEB Liability			784,145	743,646	748,868
Ending OPEB Liability			\$ 447,003	\$ 784,145	743,646
Covered-Employee Payroll			\$ 227,548	\$ 233,510	\$ 226,709
Net OPEB Liability as a Percentage of Covered-Employee Payroll			196.4%	335.8%	328.0%

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

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: The following are the discount rates used in each period:

2018-2019	3.50%
2020	2.45%

Mortality Rates

2018-2019	RP-2000 Table without projection with 50%/50% unisex blend.
2020	PubG.H-2010 Employee and Healthy Retiree, Generational with MP-2019.

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

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

Agency Head Name: Cherie Lott, Clerk of Court

<u>Purpose</u>	<u>Amount</u>
Salary	\$148,229
Benefits-Insurance	14,825
Benefits-Retirement	40,393
Deferred Compensation	6,000
Benefits-Other	2,149
Car allowance	22,234
Cell phone	1,173
Dues	150
Conferences & Seminars	2,268
Other	1,800

See independent auditors' report.

## OTHER REPORTS



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

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

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
Jessica H. Broadway, CPA – A Professional Corporation  
Ryan E. Todtenbier, CPA – A Professional Corporation

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

Honorable Cherie Cox  
Caldwell Parish Clerk of Court  
P. O. Box 1327  
Columbia, LA 71418

We have audited, 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*, the financial statements of the governmental activities, major fund and fiduciary funds, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Caldwell Parish Clerk of Court's basic financial statements and have issued our report thereon dated December 7, 2020.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings as item 2020-001, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk'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*.

## **Caldwell Parish Clerk of Court Response to Findings**

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

## **Purpose of this Report**

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

*Thomas, Cunningham, Broadway & Todtenbier, CPAs*

Thomas, Cunningham, Broadway & Todtenbier  
*Certified Public Accountants*  
Natchitoches, Louisiana

December 7, 2020

Caldwell Parish Clerk of Court  
Schedule of Audit Findings  
Year Ended June 30, 2020

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Caldwell Parish Clerk of Court as of and for the year ended June 30, 2020.
2. The audit disclosed one significant deficiency in internal control, and this deficiency was not determined to be a material weakness.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*:

Internal Control-

2020-001 *Segregation of Duties*

*Criteria* - The Clerk's office should have employees available to execute the ongoing duties related to financial matters.

*Condition* - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

*Cause* - Due to a lack of funds, the Clerk's office does not have a sufficient number of employees to adequately separate accounting duties or to prepare the Clerk's annual financial statements with related note disclosures.

*Effect* - Intentional or unintentional errors could be made and not detected within the accounting system.

*Recommendation* - Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

*Management's Response* - It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the Clerk of Court to have our independent auditors prepare our financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

Caldwell Parish Clerk of Court  
Schedule of Audit Findings-continued  
Year Ended June 30, 2020

III. PRIOR YEAR AUDIT FINDINGS

2019-001 *Segregation of Duties*

*Condition* - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

*Status* - As of June 30, 2020 this condition still exists. See current year finding 2020-001.