

BEAUREGARD PARISH CLERK OF COURT, LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2021

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# Windham & Reed, L.L.C.

*Certified Public Accountants*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA  
Charles M. Reed, Jr., CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Brian S. Lestage  
Beauregard Parish Clerk of Court, Louisiana  
DeRidder, Louisiana

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Beauregard Parish Clerk of Court, Louisiana as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of the clerk's proportionate share of the net pension liability and schedule of the clerk's pension contributions on pages 30 through 35 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 the 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 inquires 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.

Management has omitted 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 Beauregard Parish Clerk of Court, Louisiana's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head, the judicial system funding schedule-collecting/disbursing entity and the judicial system funding schedule-receiving entity are the responsibility of management and were 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, the judicial system funding schedule-collecting/disbursing entity and the judicial system funding schedule-receiving entity are 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 30, 2021, on our consideration of the Beauregard Parish Clerk of Court, Louisiana'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 Beauregard Parish Clerk of Court, Louisiana's internal control over financial reporting and compliance.



DeRidder, Louisiana  
September 30, 2021

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
June 30, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 1,631,582
Receivables:	
Accounts receivable	10,942
Due from advance deposit fund	1,533
Capital assets, net	271,282
Total assets	\$ 1,915,339
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Prepaid insurance	\$ 28,471
Pension	676,614
Other post employment benefits	518,317
Total deferred outflows of resources	\$ 1,223,402
Total assets and deferred outflows of resources	\$ 3,138,741
<b>LIABILITIES</b>	
Accounts payable	\$ 14,331
Payroll withholdings payable	10
Long term liabilities:	
Net other post-employment benefits liability	2,291,243
Net pension liability	1,602,730
Total liabilities	\$ 3,908,314
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	\$ 28,530
Other post employment benefits	585,153
Total deferred inflows of resources	\$ 613,683
Total liabilities and deferred inflows of resources	\$ 4,521,997
<b>NET POSITION</b>	
Net investment in capital assets	\$ 271,282
Unrestricted	(1,654,538)
Total net position	\$ (1,383,256)
Total liabilities, deferred inflows of resources and net position	\$ 3,138,741

The accompanying notes are an integral part of this statement.

Statement of Activities  
For the Year Ended June 30, 2021

	<u>Expenses</u>	<u>Program Revenues Fees, Charges and Commissions for Services</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
			<u>Governmental Activities</u>
Program Activities			
Governmental activities:			
Judiciary	<u>\$ 1,936,109</u>	<u>\$ 1,800,559</u>	<u>\$ (135,550)</u>
General revenues:			
Investment earnings			\$ 8,259
Nonemployer pension revenue			<u>77,100</u>
Total general revenues			<u>\$ 85,359</u>
Change in net position			\$ (50,191)
Net position at beginning of year			<u>(1,333,065)</u>
Net position at end of year			<u><u>\$ (1,383,256)</u></u>

The accompanying notes are an integral part of this statement.

Balance Sheet  
 Governmental Funds  
 June 30, 2021

ASSETS	<u>General Fund</u>
Assets:	
Cash	\$ 1,631,582
Receivables:	
Accounts receivable	10,942
Due from advance deposit fund	1,533
Total assets	<u>\$ 1,644,057</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows:	
Prepaid insurance	<u>\$ 28,471</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,672,528</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 14,331
Payroll withholdings payable	10
Total liabilities	<u>\$ 14,341</u>
Fund Balances:	
Unassigned	\$ 1,629,716
Nonspendable	
Not in spendable form	28,471
Total fund balances	<u>\$ 1,658,187</u>
Total liabilities and fund balances	<u><u>\$ 1,672,528</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet  
to Statement of Net Position  
June 30, 2021

Total fund balance - total governmental funds	\$	1,658,187
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets		271,282
Pension related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows		676,614
Pension related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows		(28,530)
Post-employment benefit related changes in post-employment benefit liability that are only reported in the Statement of Net Position as deferred outflows		518,317
Post-employment benefit related changes in post-employment benefit liability that are only reported in the Statement of Net Position as deferred inflows		(585,153)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Other post-employment benefits	\$	(2,291,243)
Net pension liability		(1,602,730)
		<u>(3,893,973)</u>
Net position of governmental activities	\$	<u><u>(1,383,256)</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2021

	<u>General Fund</u>
Revenues	
Recordings	\$ 804,302
Cancellations	1,537
Mortgage certificates	3,380
Marriage licenses	7,230
Birth certificates	12,570
Notary fees	6,882
Election fees	18,139
Fees on suits and successions	483,677
Court attendance	6,380
Certified copies	254,920
Criminal court and traffic court fees	56,156
Qualifying fees	3,340
UCC certificates and filing	57,191
Investment income	8,259
Clerk's supplemental pay	24,600
Clerk's remote access fees	25,000
Child support fees	10,255
Portal fees	25,000
	<hr/>
Total revenues	\$ 1,808,818
	<hr/>
Expenditures	
Judiciary:	
Personal services	\$ 815,499
Personal service related benefits	593,070
Travel and professional development	4,387
Operating services	87,992
Supplies	108,536
Capital outlay	82,275
	<hr/>
Total expenditures	\$ 1,691,759
	<hr/>
Net change in fund balance	\$ 117,059
	<hr/>
Fund balances at beginning of year	1,541,128
	<hr/>
Fund balances at end of year	\$ 1,658,187
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$	117,059
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(34,994)
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		82,275
Governmental funds do not report net change in other postemployment benefits (OPEB) obligations. However this obligation does appear in the Statement of Activities since the payable is reported on the Statement of Net Position.		(107,045)
Pension expense is based on employer contributions in the government funds, but is an actuarially calculated expense on the Statement of Activities.		<u>(107,486)</u>
Change in net position of governmental activities	\$	<u><u>(50,191)</u></u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position  
June 30, 2021

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 755,043	\$ 404,218	\$ 1,159,261
Accounts receivable	1,533	-	1,533
Total assets	<u>\$ 756,576</u>	<u>\$ 404,218</u>	<u>\$ 1,160,794</u>
<b>LIABILITIES</b>			
Liabilities:			
Due to general fund	\$ 1,533	\$ -	\$ 1,533
Held for others pending court action	755,043	404,218	1,159,261
Total liabilities	<u>\$ 756,576</u>	<u>\$ 404,218</u>	<u>\$ 1,160,794</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position  
for the Year Ended June 30, 2021

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ADDITIONS:			
Suits and successions	\$ 822,446	\$ 46,618	\$ 869,064
Child support	9,970	-	9,970
Interest income	39	266	305
	<u>          </u>	<u>          </u>	<u>          </u>
Total additions	<u>\$ 832,455</u>	<u>\$ 46,884</u>	<u>\$ 879,339</u>
DEDUCTIONS:			
Clerk's cost (paid to general fund)	\$ 488,185	\$ -	\$ 488,185
Settlements to litigants	150,611	131,225	281,836
Sheriff's fees	100,624	-	100,624
Attorneys, curators, notary	12,877	-	12,877
Judges' supplement fund	26,659	-	26,659
Secretary of State fees	4,050	-	4,050
Judicial expense	14,885	-	14,885
Police Jury fees	3,478	-	3,478
Child support fees	10,455	-	10,455
Court reporter	2,344	-	2,344
Commissioner of Insurance	195	-	195
Louisiana Judicial College	496	-	496
Bank fees	115	-	115
Unclaimed property payments	1,756	-	1,756
Miscellaneous	366	-	366
	<u>          </u>	<u>          </u>	<u>          </u>
Total deductions	<u>\$ 817,096</u>	<u>\$ 131,225</u>	<u>\$ 948,321</u>
Change in liabilities	\$ 15,359	\$ (84,341)	\$ (68,982)
Liabilities at beginning of year	703,792	488,559	1,192,351
Prior period adjustment	37,425	-	37,425
	<u>          </u>	<u>          </u>	<u>          </u>
Liabilities at end of year	<u>\$ 756,576</u>	<u>\$ 404,218</u>	<u>\$ 1,160,794</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Parish Clerk of Court, Louisiana

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

**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 Beauregard Parish Clerk of Court, Louisiana 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 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

**B. Reporting Entity**

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Beauregard 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 Beauregard 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 uses funds to maintain his financial records during the year. Fund accounting is designated to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

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 are paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Clerk of Court. The following is the Clerk's governmental fund:

General Fund – the primary operating fund of the Clerk and it accounts for all financial resources, except for those in another fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Clerk policy.

Fiduciary Funds

Fiduciary funds reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk are custodial funds. The custodial funds 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 custodial funds have no measurement focus, but use the modified accrual basis of accounting.

**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., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Clerk operations.

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

Revenues

Revenues are recognized when they become measurable and available as net current assets. Advance deposits and Registry of Court funds are considered measurable when collected by the Clerk of Court.

Expenditures

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

The Clerk of Court has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Clerk as a whole. 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*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement B) 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 fund.

When both restricted and unrestricted resources are available for use, it is the Clerk’s policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Budgets**

The Clerk uses the following budget practices:

The Clerk’s proposed budget for the 2020-2021 fiscal year was made available for public inspection at the Clerk’s office on or before June 15, 2020. The proposed budget was prepared on the modified accrual basis of accounting and was published in the official journal before the public hearing. The budget hearing was held at the Clerk’s office on or before June 15, 2020. The budget was legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end.

Formal budget integration is not employed as a management control device.

**F. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits NOW accounts, money market accounts and passbook savings accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing NOW accounts, demand deposits, money market accounts, passbook savings, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Clerk of Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**G. 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.

**H. Prepaid Items**

Prepaid items consist of insurance premiums paid in advance for terms extending into the subsequent year.

**I. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$5,000 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>
Machinery and equipment	5-10 years
Furniture and fixtures	5-10 years
Vehicles	5-10 years

**J. Vacation, Sick Leave and Holidays**

After employed for a period of six months, employees will be entitled to one-week vacation with pay; after twelve months, two weeks with pay.

Sick leave policy depends upon the circumstances involved. If sick, employees will be paid for a reasonable period of absence.

Legal holidays are established by law. At the present time the Clerk has a total of approximately sixteen holidays observed by his office.

As of June 30, 2021 no vacation or sick leave had been accumulated or was vested by employees.

**K. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

**L. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Clerk of Court, which are either unusual in nature or infrequent in occurrence.

**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.

**N. Fund Balance**

**Nonspendable** The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. As for the Beauregard Parish Clerk of Court, Louisiana, the nonspendable fund balance consist of prepaid amounts of insurance premiums.

**Unassigned** Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**O. 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 and additions to/deductions from the Louisiana Clerks’ of Court Retirement and Relief Fund’s fiduciary net position have been determined on the same basis as they are reported by the Louisiana Clerks’ of Court Retirement and Relief Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Financial reporting information pertaining to the Clerk’s participation in the Louisiana Clerks’ of Court Retirement and Relief Fund is prepared in accordance with Governmental Accounting Standards Board “GASB” Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which have been adopted by the Clerk for the fiscal year ended June 30, 2021.

**P. Recently Issued Accounting Pronouncement**

In June 2015, the Governmental Accounting Standards Board (GASB) approved Statement No. 75, “Accounting and Financial Reporting for Post-employment Benefits other than Pensions.” GASB Statement No. 75 replaces the requirements of Statement No. 45, “Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions.” GASB Statement No. 75 improves accounting and financial reporting by state and local governments for post-employment benefits other than pensions.

In January 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 84, “Fiduciary Activities.” GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASB No. 84 replaces *agency funds* with *custodial funds*, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the Clerk for periods beginning after December 15, 2018, with earlier application encouraged. The effect of implementation of this statement on the Clerk’s financial statements has not yet been determined.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2021, the Clerk of Court has cash and cash equivalents (book balances) totaling \$2,394,734 as follows:

Money market accounts	\$	172,943
NOW accounts		814,930
Time deposits		659,808
Demand deposits		590,210
Petty cash		1,000
PayPal account		155,843
Total	\$	<u>2,394,734</u>

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

At June 30, 2021, the Clerk of Court has \$2,546,917 in deposits (collected bank balances). These deposits are secured from risk by \$1,155,843 of federal deposit insurance and \$1,391,074 of pledged securities held by an unaffiliated bank of the pledgor bank. These pledged securities are deemed by law to be under the control and possession and in the name of the Clerk and deposits are therefore properly collateralized.

**3. RECEIVABLES**

The receivables of \$12,475 at June 30, 2021, are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Advance Deposit Fund</u>	<u>Total</u>
Charges for services	\$ 10,942	\$ 1,533	\$ 12,475

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2021, for the Clerk of Court is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated				
Furniture and fixtures	\$ 78,602	\$ -	\$ -	\$ 78,602
Machinery and equipment	731,610	82,275	-	813,885
Improvements	5,716	-	-	5,716
Total capital assets being depreciated	<u>\$ 815,928</u>	<u>\$ 82,275</u>	<u>\$ -</u>	<u>\$ 898,203</u>
Less accumulated depreciation for:				
Furniture and fixtures	\$ 58,842	\$ 2,757	\$ -	\$ 61,599
Machinery and equipment	532,299	31,951	-	564,250
Improvements	786	286	-	1,072
Total accumulated depreciation	<u>\$ 591,927</u>	<u>\$ 34,994</u>	<u>\$ -</u>	<u>\$ 626,921</u>
Total capital assets being depreciated, net	<u>\$ 224,001</u>	<u>\$ 47,281</u>	<u>\$ -</u>	<u>\$ 271,282</u>

Depreciation expense of \$34,994 for the year ended June 30, 2021, was charged to the following governmental functions:

Judiciary     \$ 34,994

**5. ACCOUNTS PAYABLE**

The payables of \$14,341 at June 30, 2021, are as follows:

	<u>General Fund</u>
Accounts payable	\$ 14,331
Payroll taxes	10
Total	<u>\$ 14,341</u>

**6. PREPAID EXPENSES**

The prepaid expenses of \$28,471 at June 30, 2021 are as follows:

	<u>General Fund</u>
Prepaid health insurance	<u>\$ 28,471</u>

**7. PENSION PLANS**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Louisiana Clerks’ of Court Retirement and Relief Fund prepared its employer schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities,

deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

#### Basis of Accounting

The Louisiana Clerks' of Court Retirement and Relief Fund's employer 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, 2020.

#### Plan Fiduciary Net Position

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

#### Pension Amount Netting

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

#### PLAN DESCRIPTION:

The 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.

#### Retirement Benefits

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

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

Disability Benefits

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

- 1) A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, 2 1/2% of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- 2) A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to 3% of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

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

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

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

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

Survivor Benefits

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

Deferred Retirement Option Plan

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

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

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

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

Cost-of-Living Adjustments

The Board of Trustees is authorized to provide a cost-of-living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of \$40 per month. The Louisiana statutes allow the Board to grant an additional cost-of-living increase to all retirees and beneficiaries over age sixty-five 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.

The System issues an annual, publicly available, financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 111745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy- Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Beauregard Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 21.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Beauregard Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Beauregard Parish Clerk of Court's contributions to the System for the years ending June 30,

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

2021, 2020, and 2019, were \$142,543, \$125,504, and \$121,131, respectively, equal to the required contributions for each year.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium 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, but are not considered special funding situations. Non-employer contributions recognized as revenue for the year ended June 30, 2020 were \$77,100.

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

At June 30, 2021, the Clerk reported a liability of \$1,602,730 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks, actuarially determined. At June 30, 2020 the Clerk's proportion was .666176%, which was an increase of .010505% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Clerk recognized pension expense of \$327,129. At June 30, 2021, the Clerk recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,025	\$ 19,825
Changes of assumptions	142,148	-
Net difference between projected and actual earnings on pension plan investments	343,505	-
Changes in employer's proportion of beginning net pension liability	28,393	8,380
Differences in proportion and differences between Clerk contributions and proportionate share of contributions	-	325
Clerk contributions subsequent to the measurement date	142,543	-
Total	<u>\$ 676,614</u>	<u>\$ 28,530</u>

The \$142,543 reported as deferred outflows of resources related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2022	\$ 125,007
2023	154,841
2024	131,208
2025	94,485
Thereafter	-
Total	<u>\$ 505,541</u>

*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.

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

The components of the net pension liability of the Clerk as of June 30, 2020 are as follows:

	<u>June 30, 2020</u>
Total pension liability	\$ 5,743,292
Plan fiduciary net position	<u>(4,140,562)</u>
Clerk's net pension liability	<u>\$ 1,602,730</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	1-5 years of service – 6.20% 5 years or more – 5.00%
Inflation Rate	2.50%
Mortality Rates	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale.
Expected Remaining Service Lives	2020 – 5 years 2019 – 5 years 2018 – 5 years 2017 – 5 years 2016 – 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 2020 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 – June 30, 2019 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, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. The 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

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

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 6.18% for the year ended 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, 2020, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income:		
Domestic Bonds	0.00%	2.50%
International Bonds	20.00%	3.50%
Domestic Equity	33.00%	7.50%
International Equity	22.00%	8.50%
Real Estate	15.00%	4.50%
Hedge Funds	10.00%	6.59%
	100.00%	

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 to Changes in Discount Rate*

The following presents the net pension liability of the Clerk 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, 2020:

	Changes in Discount Rate:		
	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability	\$ 2,236,586	\$ 1,602,730	\$ 1,068,467

State of Louisiana, Public Employees Deferred Compensation Plan

The Clerk of Court offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, \$20 per month, and contribute up to 100% of taxable compensation, not to exceed \$19,500 and \$19,500 per calendar years for 2020 and 2021 respectively. Additionally if age 50 or older an additional amount may be deferred (up to \$6,500 and \$6,500 per calendar years 2020 and 2021 respectively) above the annual deferral limit.

Notes to the Financial Statements (Continued)

A special “catch up” provision may be used to invest up to \$39,000 per year for three years prior to retirement. Any amount excluded from gross income through salary reduction under a 403(b) annuity, a 401(k) profit-sharing plan or a Simplified Employee Pension (SEP) is to be treated as amounts deferred under this deferred compensation plan. Participants joining the Plan may choose the amount to contribute and the investment option(s). They may revise their choice at any time, transfer monies to other available investment options and may increase, decrease, or stop deferrals any time. The Plan offers both a guaranteed option and variable investment options, from which participants may select a fund or combination of funds to satisfy their personal investment objectives. Each of the funds has independent investment objectives and utilizes different investment strategies. With the exception of the Great-West Guaranteed Fund, the remaining investment options are variable in nature. Values of the variable options are not guaranteed as to a fixed dollar amount and may increase or decrease according to the investment experience of the underlying portfolio. The expense to administer the Plan is borne by all participants. The administrative fee is .85% and is assessed on each of the options selected. The variable options also have investment management fees that vary based upon the option chosen. Both the administrative and investment management fees are calculated and deducted daily on a pro-rata basis. There are no annual contract charges or transaction charges. At retirement, 100% of the account value will be applied to any of the following settlement options chosen. These options include among others:

- Periodic payment
- Payments over your lifetime
- Payments for a specific time or amount
- Joint and survivor benefits
- Lump-sum payment
- Any combination of the above options

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway Suite 702; Baton Rouge, LA 70808; (800) 937-7604 or (225) 926-8086.

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

Certain operating expenditures of the Clerk’s office are paid by the parish police jury and are not included in the accompanying financial statements.

**9. INTERFUND RECEIVABLES/PAYABLES**

The following due to/from balances exists due to revenues received by the fiduciary fund that has yet to be transferred to the General Fund.

	Due to	Due from
General Fund	\$ 1,533	\$ -
Advance Deposit Fund	-	1,533
<b>Total</b>	<b>\$ 1,533</b>	<b>\$ 1,533</b>

**10. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

General Information about the OPEB Plan

*Plan description* – The Beauregard Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The Beauregard 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*.

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

*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, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>15</u>
	<u>18</u>

Total OPEB Liability

The Clerk’s total OPEB liability of \$2,291,243 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2021 actuarial valuation as determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2019
Prior Measurement Date	June 30, 2020
Measurement Date	June 30, 2021 Actuarial determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.00% annually
Healthcare trend	5.50% annually until year 2030, then 4.50%
Salary increases	3.00% annually
Prior Discount Rate	2.21%
Discount Rate	2.16% annually which is the Bond Buyer 20-Bond General Obligation Index on the Measurement Date. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.
Retirement age	4 years after eligibility

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Continued)

Mortality SOA RP-2014 Combined Mortality Table

Turnover Age specific table with approximate average of 5% over the active census

<u>Age</u>	<u>Rate of Turnover</u>
18 to 26	10%
26 to 41	7%
41 to 55	5%
55 and over	4%

<u>Medical Claim Cost</u>	<u>Annual Cost/Member</u>
Pre-Medicare claim cost	\$8,735
Medicare claim cost	\$2,704

<u>Implied Retiree Subsidy Factors</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
	50 to 54	104.93%	104.67%
	55 to 59	126.68%	112.91%
	60 to 64	152.96%	121.80%

Changes in the Total OPEB Liability

Balance at June 30, 2020	<u>\$ 2,010,201</u>
Changes for the year:	
Service cost	\$ 73,000
Interest cost at 2.21%	45,232
Changes in assumptions/inputs	106,796
Differences between expected and actual experience	76,945
Benefit payments - Employer retiree premiums paid	<u>(20,931)</u>
Net changes	<u>\$ 281,042</u>
Balance at June 30, 2021	<u>\$ 2,291,243</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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	<u>1.00% Decrease</u> <u>1.16%</u>	<u>Current Discount</u> <u>Rate 2.16%</u>	<u>1.00% Increase</u> <u>3.16%</u>
Total OPEB liability	<u>\$ 2,744,020</u>	<u>\$ 2,291,243</u>	<u>\$ 1,939,670</u>

*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 (4.50%) or 1-percentage-point higher (6.50%) than the current healthcare trend rates:

	<u>1.00% Decrease</u> <u>4.50%</u>	<u>Current Trend</u> <u>5.50%</u>	<u>1.00% Increase</u> <u>6.50%</u>
Total OPEB liability	<u>\$ 2,035,329</u>	<u>\$ 2,291,243</u>	<u>\$ 2,618,045</u>

Beauregard Parish Clerk of Court, Louisiana

Notes to the Financial Statements (Concluded)

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

For the year ended June 30, 2021, the Clerk recognized OPEB expense of \$127,977 at June 30, 2021, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 65,953	\$ 585,153
Changes in assumptions	452,364	-
Total	<u>\$ 518,317</u>	<u>\$ 585,153</u>

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

<u>Year ended June 30:</u>	
2022	\$ 9,745
2023	9,745
2024	9,745
2025	9,745
2026	9,745
Thereafter	<u>(115,561)</u>

**11. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the ended June 30, 2021:

	<u>Other Postemployment Benefits</u>	<u>Net Pension Liability</u>	<u>Total</u>
Long-term obligations at beginning of year	\$ 2,010,201	\$ 1,190,693	\$ 3,200,894
Additions and other adjustments	301,973	554,580	856,553
Payments and other adjustments	<u>(20,931)</u>	<u>(142,543)</u>	<u>(163,474)</u>
Long-term obligations at end of year	<u>\$ 2,291,243</u>	<u>\$ 1,602,730</u>	<u>\$ 3,893,973</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2021:

	<u>Other Postemployment Benefits</u>	<u>Net Pension Liability</u>	<u>Total</u>
Current portion	\$ -	\$ -	\$ -
Long-term portion	2,291,243	1,602,730	3,893,973
Total	<u>\$ 2,291,243</u>	<u>\$ 1,602,730</u>	<u>\$ 3,893,973</u>

**12. PRIOR PERIOD ADJUSTMENT**

The Advance Deposit fund had several duplicated checks reported as outstanding from prior years.

REQUIRED SUPPLEMENTAL INFORMATION

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Budget to Actual differences over/(under)
	Original	Final		
<b>Revenues</b>				
Recordings	675,000	803,000	804,302	1,302
Cancellations	280	280	1,537	1,257
Mortgage certificates	3,000	3,000	3,380	380
Marriage licenses	7,000	7,000	7,230	230
Birth certificates	12,000	13,000	12,570	(430)
Notary fees	3,000	7,000	6,882	(118)
Election fees	5,000	22,000	18,139	(3,861)
Fees on suits and successions	504,000	488,000	483,677	(4,323)
Court attendance	77,000	6,000	6,380	380
Certified copies	185,000	269,000	254,920	(14,080)
Criminal court	80,000	53,000	56,156	3,156
Qualifying fees	14,000	6,000	3,340	(2,660)
UCC certificates and filings	59,000	57,000	57,191	191
Investment income	400	420	8,259	7,839
Clerks supplemental pay	25,000	29,000	24,600	(4,400)
Clerks' remote access fees	17,000	22,000	25,000	3,000
Child support fees	19,000	13,000	10,255	(2,745)
Portal fees	17,000	25,000	25,000	-
Miscellaneous	13,000	-	-	-
Total revenues	<u>\$ 1,715,680</u>	<u>\$ 1,823,700</u>	<u>\$ 1,808,818</u>	<u>\$ (14,882)</u>
<b>Expenditures</b>				
Judiciary:				
Personal services	\$ 782,000	\$ 824,000	\$ 815,499	\$ 8,501
Personal service related benefits	510,400	602,000	593,070	8,930
Travel and professional development	4,000	2,000	4,387	(2,387)
Operating services	99,000	91,000	87,992	3,008
Supplies	179,000	102,725	108,536	(5,811)
Capital outlay	-	82,275	82,275	-
Total expenditures	<u>\$ 1,574,400</u>	<u>\$ 1,704,000</u>	<u>\$ 1,691,759</u>	<u>\$ 12,241</u>
Net change in fund balance	\$ 141,280	\$ 119,700	\$ 117,059	\$ (2,641)
Fund balances at beginning of year	<u>1,474,272</u>	<u>1,541,128</u>	<u>1,541,128</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 1,615,552</u></u>	<u><u>\$ 1,660,828</u></u>	<u><u>\$ 1,658,187</u></u>	<u><u>\$ (2,641)</u></u>

Schedule of Changes in Net OPEB Liability and Related Ratios  
For the Year Ended June 30, 2021

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB Liability				
Service cost	\$ 61,245	\$ 36,869	\$ 36,307	\$ 73,000
Interest	72,816	75,363	61,213	45,232
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(2,041)	(498,890)	(279,371)	76,945
Changes of assumptions	-	-	481,099	106,796
Benefit payments	(16,439)	(17,343)	(19,840)	(20,931)
Net change in total OPEB liability	<u>\$ 115,581</u>	<u>\$ (404,001)</u>	<u>\$ 279,408</u>	<u>\$ 281,042</u>
Total OPEB liability - beginning	<u>\$ 2,019,213</u>	<u>\$ 2,134,794</u>	<u>\$ 1,730,793</u>	<u>\$ 2,010,201</u>
Total OPEB liability - ending	<u><u>\$ 2,134,794</u></u>	<u><u>\$ 1,730,793</u></u>	<u><u>\$ 2,010,201</u></u>	<u><u>\$ 2,291,243</u></u>
Covered-employee payroll	\$ 603,989	\$ 622,109	\$ 661,029	\$ 680,860
Net OPEB liability as a percentage of covered-employee payroll	353.45%	278.21%	304.10%	336.52%

**Notes to Schedule:**

<i>Benefit Changes</i>	None	None	None	None
<i>Changes of Assumptions:</i>				
Discount rate	3.50%	3.50%	2.21%	2.16%
Mortality	RP-2000	RP-2000	RP-2014	RP-2014
Trend	5.50%	5.50%	Variable	Variable

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

Schedule of the Clerk's Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2021

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Louisiana Clerk's of Court Retirement and Relief Fund					
Clerk's proportion of the net pension liability (asset)	.603261%	.625488%	.638797%	.658985%	.644233%
Clerk's proportionate share of the net pension liability (asset)	\$ 813,716	\$ 938,252	\$ 1,181,758	\$ 997,001	\$ 1,071,553
Clerk's covered-employee payroll	\$ 565,879	\$ 583,059	\$ 595,445	\$ 596,151	\$ 637,534
Clerk's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	143.80%	160.92%	198.47%	167.24%	168.08%
Plan fiduciary net position as a percentage of the total pension liability	79.37%	78.13%	74.17%	79.69%	79.07%

(Continued)

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

Schedule of the Clerk's Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2021

Louisiana Clerk's of Court Retirement and Relief Fund	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Clerk's proportion of the net pension liability (asset)	.655671%	.666176%
Clerk's proportionate share of the net pension liability (asset)	\$ 1,190,693	\$ 1,602,730
Clerk's covered-employee payroll	\$ 660,549	\$ 678,774
Clerk's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	180.26%	236.12%
Plan fiduciary net position as a percentage of the total pension liability	77.93%	72.09%

(Concluded)

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

Schedule of the Clerk's Pension Contributions  
For the Year Ended June 30, 2021

Louisiana Clerk's of Court Retirement and Relief Fund	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Contractually required contribution	\$ 107,517	\$ 110,781	\$ 113,134	\$ 113,269	\$ 121,131
Contributions in relation to the contractually required contribution	<u>107,517</u>	<u>110,781</u>	<u>113,134</u>	<u>113,269</u>	<u>121,131</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Clerk's covered-payroll	\$ 565,879	\$ 583,059	\$ 595,445	\$ 596,151	\$ 637,534
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	19.00%	19.00%

(Continued)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the Clerk's Pension Contributions  
For the Year Ended June 30, 2021

Louisiana Clerk's of Court Retirement and Relief Fund	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Contractually required contribution	\$ 125,504	\$ 142,543
Contributions in relation to the contractually required contribution	<u>125,504</u>	<u>142,543</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Clerk's covered-payroll	\$ 660,549	\$ 678,774
Contributions as a percentage of covered-employee payroll	19.00%	21.00%

(Concluded)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTAL SCHEDULES

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

Agency Head Name - Brian Lestage, Clerk of Court

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 148,229
Clerk supplemental compensation	-
Expense allowance	-
Benefits - insurance	21,383
Benefits - retirement	12,229
Deferred compensation	13,000
Benefits - other	-
Car allowance	22,200
Vehicle provided by government	-
Cell phone	2,176
Dues	160
Vehicle rental	-
Per diem (Education for certification requirements)	868
Reimbursements	500
Travel	-
Registration fees (Education for certification requirements)	1,175
Conference travel (Education for certification requirements)	1,271
Housing	-
Unvouchered expenses	-
Special meals	160
Other (Custodian fee)	2,100

Justice System Funding Schedule -  
Collecting/Disbursing Entity  
For the Year Ended June 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Beginning balance of amounts collected (cash on hand)	\$ 739,199	\$ 746,928
Collections:		
Civil fees	\$ 369,657	\$ 452,789
State of Louisiana child support fees	4,200	5,770
Subtotal collections	\$ 373,857	\$ 458,559
Disbursements to governments & nonprofits:		
Local Sheriff fees	\$ 29,232	\$ 37,679
Other Sheriff fees	16,330	17,383
Louisiana Judicial College	231	265
Judges' Supplemental fund	12,543	14,117
Curator fees	7,038	5,810
Court reporter	1,914	430
Judicial expense fund	6,880	8,005
Secretary of State	2,000	2,050
Commissioner of Insurance	125	70
Beauregard Parish Police Jury	-	3,479
Beauregard Parish Sheriff, child support fees	40	160
Other fees	514	2,121
Amounts Retained by Collection Agency:		
Beauregard Parish Clerk of Court salary fund	\$ 216,755	\$ 271,430
Beauregard Parish Clerk of Court child support fees	4,160	5,610
Disbursements to individuals/3rd party collection processing agencies:		
Civil fee refunds	\$ 68,366	\$ 82,099
Subtotal disbursements/retainage	\$ 366,128	\$ 450,708
Ending balance of amounts collected but not disbursed/retained (cash on hand)	\$ 746,928	\$ 754,779
Ending balance of "partial payments" collected but not disbursed	N/A	N/A

Justice System Funding Schedule -  
 Receiving Entity  
 For the Year Ended June 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Receipts from:		
Beauregard Parish Sheriff's Office, court costs	\$ 24,832	\$ 31,947
Subtotal receipts	\$ 24,832	\$ 31,947
Ending balance of amounts assessed but not received	\$ -	\$ -

## OTHER REPORTS

Schedule of Prior Year Audit Findings  
Year Ended June 30, 2021

There were no prior year audit findings as of June 30, 2020.

Schedule of Current Year Audit Findings and Management's Response  
Year Ended June 30, 2021

There were no current year audit findings as of June 30, 2021.

# Windham & Reed, L.L.C.

*Certified Public Accountants*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA  
Charles M. Reed, Jr., CPA

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

The Honorable Brian S. Lestage  
Beauregard Parish Clerk of Court, Louisiana  
DeRidder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Beauregard Parish Clerk of Court, Louisiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Beauregard Parish Clerk of Court, Louisiana's basic financial statements, and have issued our report thereon dated September 30, 2021.

### **Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Brian S. Lestage  
Beauregard Parish Clerk of Court, Louisiana  
DeRidder, Louisiana

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Handwritten signature of Jerome A. Windham, CPA in black ink.

DeRidder, Louisiana  
September 30, 2021