

LIVINGSTON PARISH CLERK OF COURT

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

JUNE 30, 2022

LIVINGSTON, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Jason B. Harris
Livingston Parish Clerk of Court
Livingston, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, the major fund (General Fund), and the fiduciary fund of the Livingston Parish Clerk of Court “the Clerk” (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the major fund (General Fund) and the fiduciary fund of the Livingston Parish Clerk of Court as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Clerk’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

To the Honorable Jason B. Harris
Livingston Parish Clerk of Court

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Honorable Jason B. Harris
Livingston Parish Clerk of Court

Change in Accounting Principle

As discussed in Note 15 to the financial statements, in 2022 the Clerk adopted new accounting standard, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, schedule of proportionate share of the net pension liability, the schedule of contributions, and the schedule of changes in the Clerk's total OPEB liability and related ratios on pages 5 through 12 and 47 - 50, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming and opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The Schedule of Justice System Funding – Receiving Entity (Schedule 4) and the Schedule of Justice System Funding – Collecting/Disbursing Entity (Schedule 5) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 4 and 5 are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 he Schedule of Justice System Funding – Receiving Entity (Schedule 4) and the Schedule of Justice System Funding – Collecting/Disbursing Entity (Schedule 5) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Jason B. Harris
Livingston Parish Clerk of Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Livingston Parish Clerk of Court's internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 20, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Management's Discussion and Analysis (MD&A) for the Livingston Parish Clerk of Court (the Clerk) is designed to:

- assist the reader in focusing on significant financial issues;
- provide an overview of the Livingston Parish Clerk of Court's financial activities;
- identify changes in the Livingston Parish Clerk of Court's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
- identify individual fund issues or concerns.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- The Clerk's total fees, charges, and commissions for services revenues were \$5,977,369 compared to \$6,057,824 in the prior year, a decrease of \$80,455 or 1.33%.
- Total expenses for the Clerk during the year ending June 30, 2022 were \$6,337,068 compared to \$6,976,611 in the prior year, a decrease of \$639,543 or 9.17%. The decrease was attributable to various factors including but not limited to decreases in salaries and wages and decreases in employee benefits - health insurance cost and retirement contributions. Also, there were decreases in other post-employment benefits liability expense and net pension liability expense.
- The Clerk's change in net position was an increase of \$130,300, which is attributable to the above decrease in expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the reader to the basic financial statements contained in the annual report and provides an overview of the Livingston Parish Clerk of Court's financial activities. The Clerk of Court's basic financial statements consist of the following components:

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2022

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

Other required supplementary information, including the required budgetary comparison schedule(s) are presented immediately before the notes to the financial statements.

A. Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the financial operations of the Livingston Parish Clerk of Court as a whole in a format similar to private sector companies. Under this format, all governmental and business-type activities are consolidated into columns which add to a total for the governmental entity. For the Clerk of Court, only governmental activities are included in the presentation. Accordingly, there is no "totals" column in the presentation.

- a. The Statement of Net Position presents information on all of the Clerk of Court's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position (and changes in the components of net position) may serve as a useful indicator of whether the financial position of the Clerk of Court is improving or weakening.
- b. The Statement of Activities presents information showing how the Clerk of Court's net position changed during the fiscal years presented. All changes in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement of Activities presents the expenses for each function (salaries, office expenditures, insurance, travel and auto allowances, other expenditures, intergovernmental transfers, and depreciation on capital assets) reduced by the Program Revenues (charges for services, operating grants and contributions, and capital grants and contributions) directly related to each respective function, to determine net costs of each function. The net costs of each function are normally covered by general revenues. For the Clerk of Court, the only program (function) is "Judicial." Additionally, the Clerk does not receive any operating or capital grants or contributions. All revenues are generated from fees, charges and commissions for services.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2022

B. Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The Livingston Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk of Court uses two categories of funds to account for financial transactions: governmental funds, and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Clerk of Court's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's programs. The Livingston Parish Clerk of Court has only one governmental fund - the General Fund - which is used to account for the Clerk of Court's basic services.

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

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

The only type of *Fiduciary fund* maintained by the clerk is a "custodial" fund. Custodial funds are fiduciary in nature and represent assets held by the clerk as an agent for litigants pending court action. Under applicable standards of GASB 34, custodial funds are not included in the government-wide financial statements. These activities are excluded from the Clerk of Court's other financial statements because the Clerk of Court cannot use these assets to finance its operations. The Clerk of Court is responsible for ensuring that the assets reported in this fund is used for their intended purposes.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2022

C. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. When reviewing this Management’s Discussion and Analysis, the reader should refer to and review the Notes to the Financial Statements as well as the Government-Wide and Fund Financial Statements.

Government-Wide Financial Analysis

Statement of Net Position

Presented below is a condensed Statement of Net Position for the Livingston Parish Clerk of Court. The condensed format allows the reader to view the overall financial position of the Clerk of Court. Explanation of the components of this statement, and the Condensed Statement of Activities, are included immediately following the tables.

Condensed Statement of Net Position (Deficit) - Governmental Activities

	Governmental Activities	
	2022	As Restated, 2021
Cash and Other Current Assets	\$ 3,590,863	\$ 3,527,711
Restricted Cash - Advanced Cost Deposits	6,106,059	5,683,814
Capital Assets, Net	347,785	233,428
Lease Assets, Net	34,733	53,737
Total Assets	10,079,440	9,498,690
Deferred Outflows - Related to OPEB	1,023,402	1,182,163
Deferred Outflows - Related to Pensions	1,576,702	2,419,939
Total Deferred Outflows	2,600,104	3,602,102
Other Liabilities	330,709	283,463
Lease Liability	35,435	54,358
Total OPEB Liability	4,683,387	6,009,405
Net Pension Liability	3,091,159	5,340,288
Total Liabilities	8,140,690	11,687,514
Deferred Inflows - Related to OPEB	1,274,661	32,548
Deferred Inflows - Related to Pensions	1,447,377	116,421
Deferred Inflows - Advanced Cost Deposits	6,106,059	5,683,852
Total Deferred Inflows	8,828,097	5,832,821
Net Position:		
Net Investment in Capital Assets	382,518	287,165
Unrestricted (Deficit)	(4,671,761)	(4,706,708)
Total Net Position (Deficit), as Restated	\$ (4,289,243)	\$ (4,419,543)

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2022

The Clerk's change in net position equaled \$130,300. Assets increased by \$580,750 while liabilities decreased by \$3,546,824.

Statement of Governmental Activities

A condensed Statement of Activities for the Livingston Parish Clerk of Court is presented below. It lists the major categories of revenues and expenses for the fiscal years ended June 30, 2022 and 2021.

Condensed Statement of Activities - Governmental Activities

	Total Governmental Activities	
	2022	2021
Program Revenues:		
Fees, Charges and Commissions for Services	\$ 5,977,369	\$ 6,057,824
Intergovernmental Licenses	405,198 22,787	424,121 23,127
Total Program Revenues	6,405,354	6,505,072
General Revenues:		
Interest Income	62,014	22,297
Total Revenues	6,467,368	6,527,369
Program Expenses:		
Salaries	2,818,661	3,003,908
Employee Benefits and Payroll Taxes	2,647,036	2,980,493
Office Expenditures and Insurance	600,876	685,043
Travel and Auto	6,292	2,195
Interest Expense	687	-
Other Expenditures	181,627	249,082
Amortization Expense	19,004	-
Depreciation Expense	62,885	55,890
Total Program Expenses	6,337,068	6,976,611
Change in Net Position	\$ 130,300	\$ (449,242)

The Condensed Statement of Activities presents revenues, expenses, and changes in net position separately for governmental activities. The condensed format allows for presentation of Program Revenues followed by a listing of General Revenues (Interest Income) to support the Livingston Parish Clerk of Court's overall governmental activities. Expenses are presented on a functional basis (Salaries, Office Expenditures and Insurance, Travel and Auto Allowances, and Other Expenditures), with depreciation on fixed assets listed separately since the assets serve essentially all functions.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2022

The Clerk's total revenues decreased approximately \$60,001. This decrease is explained by the simple realization the Clerk's office is dependent on revenue that is generated by goods and services it sells. There is very little the office can do to generate more revenue as it is bound by Louisiana State statutes that define the cost of goods and or services sold. The total cost of all programs and services decreased about \$639,543. The combined effect of all activities resulted in an increase in net position of \$130,300 for the year.

Analysis of Fund Financial Statements

The Livingston Parish Clerk of Court maintains only one “governmental fund” - the General Fund (formerly reported as the Salary Fund). Its statements are presented as follows:

<u>Description of Financial Statement</u>	<u>Page Numbers</u>
Balance Sheet	14
Statement of Revenues, Expenditures, and Changes in Fund Balance	16

Governmental Funds

Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the Livingston Parish Clerk of Court. The analysis in this section includes a discussion of components of the Fund Financial Statements but concentrates on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the General Fund reported an Unassigned Fund Balance of \$3,089,816 a decrease of \$140,777 from 2021’s balance of \$3,230,593. Total Assets of \$9,696,922 in 2022 increased by \$485,397 from 2021’s balance of \$9,211,525. Capital Assets are presented only in the Government-Wide presentation. The Fund Financial Statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance). Current liabilities included in the Fund Financial Statements consist of Accounts Payable, Accrued Salaries and Wages, Payroll Taxes and Related Employee Benefits, and Due to Primary Government.

The fund reporting format presents in the Statement of Revenues, Expenditures, and Changes in Fund Balance all revenue types followed by the expenditures of the Livingston Parish Clerk of Court, also presented on a functional basis but in more detail than the Government-Wide Financial Statements. The major revenue and expenditure sources are similar to the government-wide presentation. The differences in total expenditures are in the reporting of capital expenditures, depreciation and cash expended for insurance. As previously noted, in the Fund Financial Statements capital expenditures are reported on the operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance); whereas the Government-Wide Financial Statements report capital assets on the Statement of Net Position with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2022

General Fund Budgetary Highlights

The Clerk demonstrated legal compliance by amending its budget in accordance with provisions of the Local Government Budget Act. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. Actual revenues were slightly higher than final budgeted revenues by an amount of about four percent; and actual expenditures were less than final budgeted expenditures by approximately five percent.

Capital Assets at Year-End

	<u>Governmental Activities</u>
Beginning Balance, as restated	\$ 891,417
Plus Additions	177,242
Less Deletions	-
Less Accumulated Depreciation/ Amortization	<u>(686,141)</u>
Ending Balance	<u>\$ 352,518</u>

For governmental activities, there were major capital additions during the fiscal year. There were storage room improvements, evidence software, and office equipment and furniture. Also at yearend, there is construction in progress for office renovations.

- ❖ GASB Statement No. 34 requires adoption of a capitalization “threshold” policy. “Threshold” policy means that a policy must be adopted indicating the bottom limit at which a purchased asset must be capitalized (added to the capital asset listing) and depreciated in accordance with requirements of GASB Statement No. 34. The Livingston Parish Clerk of Court maintains a “threshold” of \$1,000 or more for capitalizing and depreciating assets. Moveable assets costing \$500 or more are “tagged” and monitored for stewardship purposes.

Long-Term Debt

The debt structure is simple for the Livingston Parish Clerk of Court since Clerks of Court are not allowed to incur long-term indebtedness for bonds or notes payable. At year-end, the Livingston Parish Clerk of Court had no long-term debt outstanding.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2022

Economic Factors

The Clerk of Court is dependent upon its services for well over 90% of its revenues; however, the same duties must be performed whether revenue permits the expenses or not. It leaves the Clerk vulnerable to the economics of the parish – mainly the real estate market. Revenue increases or decreases in direct relation to this market; however, expenses remain relatively constant. The fiscal year of 2020-2022 continued with restrictions caused the COVID-19 worldwide pandemic. The Clerk was able to remain open by staggering personnel schedules and thereby continue to have a revenue stream mostly due to electronic filings for recording as well as civil suits – the two main income producers for the agency. The Clerk continues to see benefits of revenue from legislation that increased recording fees to a per page basis. The Clerk's expenses decreased 9.17% while the income only decreased of 1.33%, which demonstrates the Clerk remains financially sound.

The three main operational divisions of the Clerk can be characterized as:

- *Notarial* - the recordation and maintenance of all land transactions, mortgages, liens, UCC's and other instruments in the public record and the issuance of marriage licenses;
- *Civil* - the processing and maintaining of civil, probate and adoption cases including the preparation of court minutes and notices;
- *Criminal* - the processing and maintaining of criminal and traffic cases including the preparation of court minutes and notices.

Requests for Information

This financial report is designed to provide a general overview of the Livingston Parish Clerk of Court's finances and to demonstrate the Clerk of Court's accountability. If you have questions regarding this report or need additional information, contact Jason B. Harris, Clerk of Court, Livingston Parish Clerk of Court, First Floor Courthouse Building, P.O. Box 1150, Livingston, LA 70454; phone number (225) 686-2216.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF NET POSITION (DEFICIT)

AS OF JUNE 30, 2022

Governmental
Activities

ASSETS

Cash and Cash Equivalents	\$ 3,487,870
Receivables, Net	64,147
Prepaid Insurance	38,846
Restricted Cash - Advanced Cost Deposits	6,106,059
Capital Assets:	
Construction in Progress	116,977
Capital Assets (Net of Accumulated Depreciation)	230,808
Lease Assets (Net of Accumulated Amortization)	34,733
Total Assets	<u>10,079,440</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred Outflows - Related to Postemployment Benefits Other Than Pensions	1,023,402
Deferred Outflows - Related to Pensions	<u>1,576,702</u>
Total Deferred Outflows	<u>2,600,104</u>

LIABILITIES

Accounts Payable	45,421
Payroll Taxes and Related Benefits Payable	2,680
Unearned Revenue	56,260
Accrued Salary and Wages	134,745
Construction and Retainage Payable	58,008
Lease Liability Short-Term	19,213
Due to Primary Government	33,595
Long-Term Liabilities:	
Lease Liability Long-Term	16,222
Total Other Postemployment Benefit Liability	4,683,387
Net Pension Liability	<u>3,091,159</u>
Total Liabilities	<u>8,140,690</u>

DEFERRED INFLOW OF RESOURCES

Deferred Inflows - Related to Postemployment Benefits Other Than Pensions	1,274,661
Deferred Inflows - Related to Pensions	1,447,377
Deferred Inflows - Advanced Cost Deposits	<u>6,106,059</u>
Total Deferred Inflows	<u>8,828,097</u>

NET POSITION (DEFICIT)

Net Investment in Capital Assets	382,518
Unrestricted (Deficit)	<u>(4,671,761)</u>
Total Net Position (Deficit)	<u><u>\$ (4,289,243)</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities
<u>Governmental Activities:</u>	
Expenses:	
Judicial:	
Salaries and Wages	\$ 2,818,661
Employee Benefits and Payroll Taxes	2,647,036
Office Expenses	566,687
Insurance	42,079
Auto/Travel	6,292
Amortization Expense	19,004
Interest Expense	687
Other Expenses	173,737
Depreciation Expense	62,885
Total Expenses	6,337,068
Program Revenues:	
Fees, Charges and Commissions for Services:	
Recordings	3,056,372
Uniform Commercial Code Fees	67,375
Cancellations	350,566
Mortgage Certificates	6,567
Court Attendance	16,940
Photocopies	601,231
Fines and Forfeitures	176,546
Suits and Successions	1,686,357
Other Fees	15,415
Intergovernmental	405,198
Licenses	22,787
Net Program Revenues (Expenses)	68,286
General Revenues:	
Interest Revenue	62,014
Total General Revenues	62,014
Change in Net Position	130,300
Net Position (Deficit) - Beginning of Year, Restated	(4,419,543)
Net Position (Deficit) - End of Year	\$ (4,289,243)

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH CLERK OF COURT

BALANCE SHEET - GOVERNMENTAL FUND

AS OF JUNE 30, 2022

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,487,870
Receivables	32,143
Due from Other Funds	86
Due from Other Governments	31,918
Prepaid Expenses and Undeposited Funds	38,846
Restricted Cash - Advanced Cost Deposits	<u>6,106,059</u>
Total Assets	<u><u>\$ 9,696,922</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ 45,421
Accrued Salary and Wages	134,745
Payroll Taxes and Related Benefits Payable	2,680
Other Liabilities	58,008
Unearned Revenue	56,260
Due to Primary Government	<u>33,595</u>
Total Liabilities	330,709
Deferred Inflows of Resources:	
Advanced Cost Deposits	6,106,059
Fund Balances:	
Nonspendable:	
Prepaid Expenses	38,846
Committed To:	
Contracts	131,492
Unassigned	<u>3,089,816</u>
Total Fund Balances	<u>3,260,154</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 9,696,922</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2022

Fund Balances - Total Governmental Fund	\$ 3,260,154
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 are not Reported in the Governmental Funds	
Cost of Capital Assets	1,014,922
Less: Accumulated Depreciation	(667,137)
	347,785
Cost of Lease Assets	53,737
Less: Accumulated Amortization - Lease Assets	(19,004)
	34,733
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported in the Governmental Funds:	
Total Other Postemployment Benefit Liability	(4,683,387)
Net Pension Liability	(3,091,159)
Lease Liability	(35,435)
Deferred Outflows of Resources Related to Pensions are not Reported in Governmental Funds	1,576,702
Deferred Outflows of Resources Related to Other Postemployment Benefits are not Reported in Governmental Funds	1,023,402
Deferred Inflows of Resources Related to Other Postemployment Benefits are not Reported in Governmental Funds	(1,274,661)
Deferred Inflows of Resources Related to Pensions are not Reported in Governmental Funds	(1,447,377)
Net Position (Deficit) of Governmental Activities	\$ (4,289,243)

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>
Revenues:	
Fees, Charges and Commissions for Services:	
Recordings	\$ 3,056,372
Uniform Commercial Code Fees	67,375
Cancellations	350,566
Mortgage Certificates	6,567
Court Attendance	16,940
Photocopies and Subscriptions	601,231
Fines and Forfeitures	176,546
Suits and Successions	1,686,357
Other Fees	15,415
Intergovernmental	125,619
Licenses	22,787
Interest Revenue	62,014
Total Revenues	<u>6,187,789</u>
Expenditures:	
Judicial:	
Salaries and Wages	2,818,661
Employee Benefits and Payroll Taxes	2,367,537
Office Expenditures	566,687
Insurance	42,079
Auto/Travel	6,292
Other Expenditures	173,737
	<u>5,974,993</u>
Capital Outlay	177,242
Lease Payments	18,923
Interest	687
Total Expenditures	<u>6,171,845</u>
Excess (Deficiency) of Revenues Over Expenditures	15,944
Fund Balance - Beginning of Year	<u>3,244,210</u>
Fund Balance - End of Year	<u><u>\$ 3,260,154</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON 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, 2022

Net Change in Fund Balance - Total Governmental Fund	\$ 15,944
<p>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</p>	
<p>Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities, the Costs of those Assets is Allocated over their Estimated Useful Lives as Depreciation Expense. This is the Amount by Which Depreciation Exceeded Capital Outlays in the Current Period:</p>	
Capital Outlay	177,242
Depreciation Expense	(62,885)
	114,357
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Lease Principal Payments	18,923
<p>Some Expenditures Reported in the Statement of Activities do not Require the use of Current Financial Resources and are not Reported as Expenses in Governmental Funds.</p>	
(Increase) Decrease in Other Postemployment Benefit Expense	(74,856)
(Increase) Decrease in Pension Expense	(204,643)
(Increase) Decrease in Amortization Expense - Lease Assets	(19,004)
Proportionate Share of Non-employer Contributions to the Pension Plans do not Provide Current Financial Resources and, therefore, are not Reported as Revenues in the Governmental Funds	279,579
Change in Net Position of Governmental Activities	\$ 130,300

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Fees, Charges and Commissions for Services:				
Recordings	\$ 2,560,000	\$ 2,986,903	\$ 3,056,372	\$ 69,469
Uniform Commercial Code Fees	80,000	83,750	67,375	(16,375)
Cancellations	325,000	345,816	350,566	4,750
Mortgage Certificates	7,000	6,507	6,567	60
Court Attendance	13,000	17,040	16,940	(100)
Photocopies and Subscriptions	507,000	588,561	601,231	12,670
Fines and Forfeitures	194,000	163,395	176,546	13,151
Suits and Successions	1,550,000	1,574,157	1,686,357	112,200
Other Fees	78,500	6,535	15,415	8,880
Intergovernmental	129,000	122,275	125,619	3,344
Licenses	24,800	22,663	22,787	124
Interest Revenue	20,000	20,231	62,014	41,783
Total Revenues	5,488,300	5,937,833	6,187,789	249,956
Expenditures:				
Judicial:				
Salaries and Wages	2,636,600	2,731,616	2,818,661	(87,045)
Employee Benefits and Payroll Taxes	1,926,904	2,334,703	2,367,537	(32,834)
Office Expenditures	519,900	527,155	566,687	(39,532)
Insurance	43,000	32,607	42,079	(9,472)
Auto/Travel	10,700	6,291	6,292	(1)
Other Expenditures	242,450	168,240	173,737	(5,497)
	5,379,554	5,800,612	5,974,993	(174,381)
Capital Outlay	385,000	88,219	177,242	(89,023)
Lease Payments	19,500	19,608	18,923	685
Interest	-	-	687	(687)
Total Expenditures	5,784,054	5,908,439	6,171,845	(263,406)
Excess (Deficiency) of Revenues Over Expenditures	(295,754)	29,394	15,944	(13,450)
Fund Balance - Beginning of Year	3,244,210	3,244,210	3,244,210	-
Fund Balance - End of Year	\$ 2,948,456	\$ 3,273,604	\$ 3,260,154	\$ (13,450)

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUND

JUNE 30, 2022

	<u>Custodial Fund Registry of Court Fund</u>
ASSETS	
Cash	<u>\$ 1,535,878</u>
Total Assets	<u>1,535,878</u>
LIABILITIES	
Due to General Fund	<u>86</u>
Total Liabilities	<u>86</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u>1,535,792</u>
Total Net Position	<u><u>\$ 1,535,792</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUND

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Custodial Fund</u> <u>Registry of Court Fund</u>
Additions:	
Judgements	\$ 482,684
Total Additions	<u>482,684</u>
Deductions:	
Settlements to Litigants	<u>607,619</u>
Total Deductions	<u>607,619</u>
Change in Net Position	<u>(124,935)</u>
Net Position - Beginning of Year	<u>1,660,727</u>
Net Position - End of Year	<u><u>\$ 1,535,792</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 1 - Organization, Nature of Operations, and Summary of Significant Accounting Policies -

A. Organization and Nature of Operations

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.

B. Reporting Entity

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Livingston Parish Council. The council maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture for the Clerk of Court's office if requested to do so by the Clerk of Court. Because the Clerk of Court is fiscally dependent on the council, the Clerk of Court was determined to be a component unit of the Livingston Parish Council, 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 council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Basis of Statement Presentation

The accompanying component unit financial statements of the Livingston Parish Clerk of Court have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards. These statements established standards for external financial reporting for all state and local governmental entities. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

D. Fund Accounting

The Clerk of Court uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain governmental functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental fund (General Fund) and fiduciary funds (Custodial Funds).

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

General Fund

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

Fiduciary Funds

Fiduciary funds are used to account for fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. Custodial funds are fiduciary funds that account for assets held for others in a fiduciary capacity. The Registry of Court Funds are custodial funds. Fiduciary fund reporting focuses on net position and changes in net position.

E. Measurement Focus/Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

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 Livingston Parish Clerk of Court.

The GWFS 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*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

The Clerk of Court does not allocate indirect expenses.

Basic Financial Statements - Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of Governmental Funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The modified accrual basis of accounting is used by Governmental Funds. 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 (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Issuance of long-term debt and acquisitions under leases and subscription-based information technology are reported as other financing sources. The Governmental Funds use the following practices in recording revenues and expenditures:

Revenues

Revenues from recordings, copies, and other services are recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially 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.

F. Budgetary Policy and Accounting

The proposed budget for the 2022 fiscal year was made available for public inspection at the Clerk's office on June 29, 2021. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal prior to the public hearing. The budget hearing was held at the Clerk's office on June 29, 2021. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end. The final amended budget was approved June 14, 2022.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

G. Encumbrances

The Clerk of Court does not use an encumbrance accounting system.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. 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 demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

I. Prepaid Items

Payments made to vendors for general insurance that will benefit periods beyond June 30th are recorded as prepaid expenditures. These amounts are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

J. Restricted Cash - Advanced Cost Deposits

Restricted cash advanced cost deposits represent advanced deposits on suits filed by litigants. The Clerk of Court disburses funds on deposit as court cost are incurred and can request additional advanced deposits when initial funds are exhausted. The advance deposits are refundable after all costs have been paid if any are available.

K. Capital Assets and Depreciation

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 of Court maintains a threshold level of \$1,000 or more for capitalization purposes.

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>Assets</u>	<u>Estimated Lives</u>
Office Equipment	5 Years
Furniture and Fixtures	5 to 7 Years
Automobiles	5 Years
Leasehold Improvements	30 Years

L. Compensated Absences

Employees receive 176 hours of personal time per year after one year of employment which must be used prior to the end of each calendar year. Accumulated leave is not paid to employees upon termination. Although not legally obligated to do so, the Clerk may pay the unused personal time in December depending on available funds. In accordance with GASB 16, Accounting for Compensated Absences, no liability for accrued unused employee leave is included in these financial statements.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

M. Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) inflows of financial resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of a net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

The Clerk's deferred outflows and inflows of resources on the statement of net position are related to pensions and postemployment benefits other than pensions (OPEB). See pension plan Note 7 and OPEB Note 8.

Deferred inflows of resources advanced cost deposits are related to advance deposits on suits filed by litigants. The Clerk of Court disburses funds on deposit as court cost are incurred and can request additional advanced deposits when initial funds are exhausted. The advance deposits are refundable after all costs have been paid if any are available.

N. Pensions

The Clerk is a participating employer in a cost-sharing, multiple-employer defined benefit plan as described in Note 7. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Postemployment Benefits

The Clerk provides certain continuing health care and life insurance benefits for its retired employees. The Clerk's other postemployment benefit (OPEB) plan is a single employer defined benefit OPEB plan administered by the Clerk. See Note 8. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

P. Interfund Activities

In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Q. Clerk's Fees Transferred from Advance Deposits

These fees represent revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants and standard fees charged on suits. These fees are collected by a transfer of litigant's money deposited as advance deposits.

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, and less deferred inflows of resources. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. At June 30, 2022, the Clerk had no outstanding debt.

S. Fund Equity

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can only be used for specific purposes determined by a formal action of the Clerk of Court. These amounts cannot be used for any other purpose unless the Clerk of Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - Amounts that are designated as committed by the Clerk of Court but are not spendable until a budget ordinance is passed.

Unassigned - All amounts not included in other spendable classifications. The Clerk has not adopted a policy to maintain the general fund's unassigned fund balance above a certain minimum level.

The details of the fund balances are included in the Balance Sheet - Governmental Funds (page 14). As noted above, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Court or the Assignment has been changed by the Court. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office, limited to the amount of funding received from the parish treasurer. The amount owed to the parish treasurer under R.S. 13:785 is limited to the funds provided by the parish treasurer under provisions of R.S. 13:784 to help defray the costs of office furniture, equipment, and record books during the clerk of court's four-year term. The current Clerk's term expired on June 30, 2019. No funds are due to the parish treasurer under the provisions of R.S. 13:785 because the clerk has not received any funding from the parish treasurer to help defray costs. The Clerk was re-elected, and the new term will not expire until June 30, 2023.

T. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 and expenses during the reported period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

U. COVID-19 Pandemic

The COVID-19 outbreak in the United States and globally has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. Therefore, uncertainty remains regarding the ongoing impact of the COVID-19 outbreak upon the Clerk's financial condition and future results of operations, as well as upon the significant estimates and assumptions that may be utilized in reporting certain assets and liabilities.

Note 2 - Cash and Cash Equivalents -

At June 30, 2022, the carrying amount of the Clerk of Court's Cash and Cash Equivalents totaled \$11,129,807, and the confirmed bank balances totaled \$11,240,915. Cash and Cash Equivalents are stated at cost, which approximates market.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

	Book Balance	Bank Balance
Governmental Funds:		
Cash and Cash Equivalents	\$ 3,487,870	\$ 3,436,850
Restricted Cash - Advanced Cost Deposits	6,106,059	6,265,537
Custodial Fund:		
Registry of Court Fund	1,535,878	1,538,528
	\$ 11,129,807	\$ 11,240,915

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Clerk’s deposits may not be returned to it.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities 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. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the Clerk regardless of its designation by the financial institution in which it is deposited. As of June 30, 2022, none of the Clerk’s bank balance of \$11,240,915 was exposed to custodial credit risk.

Note 3 - Investments -

At June 30, 2022, the Clerk did not have any investments.

Note 4 - Receivables -

The receivables at June 30, 2022 are as follows:

	General Fund
Accounts	\$ 32,143
Intergovernmental	31,918
Due from Fiduciary Funds	86
	\$ 64,147

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Note 5 - Capital Assets -

A summary of changes in capital asset activity for the year ended June 30, 2022 as follows:

	Beginning Balance, As Restated July 1, 2021	Additions	Deletions	Balance June 30, 2022
<u>Governmental Activities:</u>				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 5,498	\$ 111,479	\$ -	\$ 116,977
Total Capital Assets, not being Depreciated	5,498	111,479	-	116,977
Capital Assets, being Depreciated:				
Building Additions	71,005	25,000	-	96,005
Vehicles	62,242	-	-	62,242
Furniture and Fixtures	47,455	5,911	-	53,366
Equipment	651,480	34,852	-	686,332
Total Capital Assets, being Depreciated	832,182	65,763	-	897,945
Less: Accumulated Depreciation for:				
Building Additions	14,758	3,372	-	18,130
Vehicles	15,595	12,448	-	28,043
Furniture and Fixtures	29,577	5,360	-	34,937
Equipment	544,322	41,705	-	586,027
Total Accumulated Depreciation	604,252	62,885	-	667,137
Total Capital Assets, being Depreciated, Net	233,428	114,357	-	347,785
Lease Assets:				
Building	26,756	-	-	26,756
Equipment	26,981	-	-	26,981
Total Lease Assets, being Amortized	53,737	-	-	53,737
Less: Accumulated Amortization for:				
Building	-	10,702	-	10,702
Equipment	-	8,302	-	8,302
Total Accumulated Amortization	-	19,004	-	19,004
Total Lease Assets, being Amortized, Net	53,737	(19,004)	-	34,733
Total Governmental Activities Capital Assets, Net as Reported in the Statement of Net Position	<u>\$ 287,165</u>	<u>\$ 95,353</u>	<u>\$ -</u>	<u>\$ 382,518</u>

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Depreciation expense of \$62,885 and amortization expense of \$ 19,004 was charged to the Judicial Operations function in the Statement of Activities.

A summary of commitments under construction contracts for the City at June 30, 2022, follows:

Governmental Activities:

	Project Authorization	Expended to June 30, 2022	Unexpended Commitment
Livingston Parish Clerk of Court Renovations	\$ 248,469	\$ 116,977	\$ 131,492

Note 6 - Changes in General Long-Term Debt -

The following is a summary of the changes in general long-term obligations at June 30, 2022.

	Beginning Balance, as Restated July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Due Within One Year
<u>Governmental Activities:</u>					
Lease Liabilities	\$ 54,358	\$ -	\$ (18,923)	\$ 35,435	\$ 19,213
Total Other Postemployment Benefits Liability	6,009,405	321,117	(1,647,135)	4,683,387	-
Net Pension Liability	5,340,288	-	(2,249,129)	3,091,159	-
Total Governmental Activities Long-Term Obligations as Reported in the Statement of Net Position	\$ 11,404,051	\$ 321,117	\$ (3,915,187)	\$ 7,809,981	\$ 19,213

Note 7 - Pension Plans -

The Clerk follows the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68* for its pension plan. These standards revise and establish financial reporting requirements for governments that provide their employees with pension benefits. These standards require the Clerk to record its proportionate share of each of the pension plans net pension liability and report the following disclosures:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Plan Description:

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

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

Benefits Provided:

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 percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011, and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member’s retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011. A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Disability Benefits

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

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

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

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

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

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

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

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

Deferred Retirement Option Plan

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. 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

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

In 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.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. The Clerk of Court's required contribution rate for the year ending June 30, 2022 was 22.25%. Employees were required to contribute 8.25% of their annual covered salary. In addition, the Louisiana Legislature passed R.S. 11:1562(C) which allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee required contributions which would otherwise be deducted from the employee's salary. Since December 1999, the Clerk has elected to pay 100% of all retirement system contributions to the Louisiana Clerk of Court Retirement and Relief Fund. The Livingston Parish Clerk of Court's contributions to the Fund for the year ended June 30, 2022 were \$695,594 (normal employer portion \$512,631 and employee portion paid by Clerk \$184,098).

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$279,579 for the year ended June 30, 2022.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

At June 30, 2022, the Livingston Parish Clerk of Court reported a liability of \$3,091,159 for its proportionate share of the net pension liability of the Fund. The net pension liability was measured as of June 30, 2021 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 plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Clerk's proportion was 2.2328% which was an increase of .0036% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Clerk recognized pension expense of \$900,237.

At June 30, 2022, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 86,175	\$ 51,866
Changes in assumptions	667,337	-
Net difference between projected and actual earnings on pension plan investments	-	1,367,260
Changes in proportion and differences between Employer contributions and proportionate share of contributions	310,559	28,251
Employer contributions subsequent to the measurement date	512,631	-
Total	<u>\$ 1,576,702</u>	<u>\$ 1,447,377</u>

\$512,631 reported as deferred outflows of resources related to pensions resulting from the Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Year Ended June 30:

2023	\$	113,902
2024		33,814
2025		(77,743)
2026		(453,279)
		<hr/>
	\$	(383,306)
		<hr/>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

Inflation	2.40%
Salary increases	6.20% (1-5 year of service) 5.00% (5 years or more)
Investment rate of return	6.55% (net of investment expense)

Mortality rates were based on Pub-2010 Public Retirement Plans multiplied by 120%. Morality Table with full generational projection using the appropriate MP-2019 improvement scale.

For 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 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 6.02% as of June 30, 2021. 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, 2021 are summarized in the following table:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income:		
Domestic Bonds	25.0%	2.50%
International Bonds		3.50%
Domestic Equity	38.0%	7.50%
International Equity	22.0%	8.50%
Real Estate	15.0%	4.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 6.55% which was no change from its prior measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund’s actuary. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Clerk’s proportionate share of the net pension liability calculated using the current discount rate, as well as what the Clerk’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate as of June 30, 2021.

	Changes in Discount Rate		
		Current	
	1% Decrease 5.55%	Discount 6.55%	1% Increase 7.55%
Net Pension Liability	\$ 5,448,840	\$ 3,091,159	\$ 1,105,207

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Pension Plan Fiduciary Net Position

The Fund issued a stand-alone audit report on its financial statements for the year ended June 30, 2021. Access to the audit report can be found on the Fund's website: www.laclerksofcourt.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Payable to the Pension Plan

There is no payable to the Plan at June 30, 2022.

Note 8 - Other Postemployment Benefits -

The Clerk follows the requirements of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for its defined benefit OPEB plan. This standard revised and establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attributes that present value to periods of employee service. This standard requires the Clerk to record its proportionate share of the defined benefit plan's proportionate share of the total OPEB liability and report the following disclosures:

General Information about the OPEB Plan

Plan Description - The Clerk provides certain continuing health care and life insurance benefits for its retired employees. The Clerk's other postemployment benefit (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 retiree's rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided - Medical benefits are provided through a comprehensive single employer medical plan and are made available to employees upon actual retirement 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.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Employees Covered by Benefit Terms - At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	29
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>52</u>
	<u>81</u>

Total OPEB Liability

The Clerk's total OPEB liability of \$4,683,387 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Prior discount rate	2.16%
Discount rate	3.54% annually
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

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

Mortality rates were based on the SOA RP-2014 Combined Table.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2022.

Changes in the Total OPEB Liability

The table below shows the Livingston Parish Clerk of Court's Total Other Postemployment Benefit (OPEB) Obligation for fiscal years ending June 30:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Total OPEB Liability - Beginning	\$ 6,009,405
Changes for the Year:	
Service Cost	189,270
Interest	131,847
Differences between Expected and Actual	(301,488)
Changes of Assumptions	(1,191,836)
Benefit Payments and Net Transfers	(153,811)
Net Change to Total OPEB Liability	(1,326,018)
Total OPEB Liability - Ending	\$ 4,683,387

Benefit Changes - There were no changes of benefit terms for the year ended June 30, 2022.

Changes of Assumptions - The discount rate changed to 3.54% for the year ended June 30, 2022, compared to 2.16% for the year ended June 30, 2021. There were no other changes of assumptions for the year ended June 30, 2022 versus the year ended June 30, 2021.

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 or 1-percentage-point higher than the current discount rate:

	Changes in Discount Rate		
	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 5,424,515	\$ 4,683,387	\$ 4,090,375

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:

	Changes in Healthcare Cost Trend Rates		
	1% Decrease 4.5%	Discount Rate 5.5%	1% Increase 6.5%
Total OPEB Liability	\$ 4,144,424	\$ 4,683,387	\$ 5,355,203

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

For the year ended June 30, 2022, the Clerk recognized OPEB expense of \$74,856. At June 30, 2022, 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	\$ 463,900	\$ 281,464
Change in Assumptions	559,502	993,197
Total	\$ 1,023,402	\$ 1,274,661

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

Year Ended June 30:	Outflows	Inflows
2023	\$ 158,760	\$ 251,212
2024	158,760	251,212
2025	158,760	251,212
2026	158,760	251,212
2027	158,760	251,212
Thereafter	229,602	18,601
	\$ 1,023,402	\$ 1,274,661

Note 9 - Unearned Revenue -

The Clerk of Court receives payment of e-search subscription revenues from the subscribers in advance of the service period to be provided. The Clerk recognizes e-search subscription revenue as revenue on a pro-rata basis over the period of service provided to the subscribers. At June 30, 2022, the Clerk had unearned revenues of \$56,260 which represents the fees collected in advance of the services to be provided.

Note 10 - Compensated Absences -

Employees are not paid for accumulated leave upon termination.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Note 11 - Leases -

The Clerk records leases in accordance with GASB statement No. 87, *Leases*. Leases greater than 12 months are recorded as a right-of-use asset and a lease liability. At June 30, 2022, the Clerk had a lease liability of \$35,435. See note 5 for a recap of the lease assets.

On October 7, 2019, the Clerk entered into a lease for a postage machine. The term of the lease is 60 months at a discount rate of 1.38% with quarterly payments due of \$2,144. On January 3, 2020, the Clerk entered into a lease of a building for its Denham Spring, Louisiana location. The term of the lease is 3 years months at a discount rate of 1.63% with monthly payments due of \$919.

The future lease payments under lease agreements and in the aggregate are as follows:

<u>Year Ending June 30, 2022</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	\$ 396	\$ 19,213	\$ 19,609
2024	120	14,033	14,153
2025	6	2,189	2,195
Total Minimum Lease Payments	<u>\$ 522</u>	<u>\$ 35,435</u>	<u>\$ 35,957</u>

At June 30, 2022, the Clerk had no impairment losses related to leases, and had not entered into any sublease transactions, sale-leaseback transactions, nor lease-leaseback transactions.

Note 12 - Litigation and Claims -

At June 30, 2022, the Clerk of Court is involved in general lawsuits, it is the opinion of the legal advisor for the Clerk of Court that the ultimate resolution of these lawsuits will not involve any material liability to the Clerk of Court in excess of insurance coverage.

Note 13 - Cooperative Endeavor Agreements -

On May 1, 2014, the Livingston Parish Clerk of Court entered into a cooperative endeavor agreement with the Livingston Parish Council and four other local governments for the purpose of providing additional funding for the construction of the Livingston Parish Courthouse. Under the terms of this agreement, the Clerk agreed to pay 33.4% of the estimated construction shortfall of \$2,200,000 on the construction of new Courthouse plus any other construction change orders, after the Livingston Parish Council's contribution of \$300,000 for the construction of an access road. The construction shortfall resulted from the difference in the sale by the Livingston Parish Council of the Revenue Bond Series 2011 for \$17,865,000 and the Courthouse estimated construction costs plus architectural design fees and other estimated costs totaling \$20,065,000.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The other four local governments in the agreement and their respective percentage contributions are the Livingston Parish Sheriff at 35.0%, the District Attorney of the Twenty-First Judicial District Court at 17.0%, and the Twenty-First Judicial District Court at 14.6%. In addition, each entity paid for its furniture and equipment that each required to begin operations in the Courthouse.

On September 1, 2011, the Livingston Parish Clerk of Court entered into a cooperative endeavor agreement with the Livingston Parish Council and the Twenty-First Judicial District Court for the purpose of providing for the funding pursuant to Act No. 20 of the 2011 Regular Session of the Louisiana Legislature (the "Courthouse Financing Act"). According to the Courthouse Financing Act, the Livingston Parish Clerk of Court began collecting an additional \$20 recordation fee per document, an additional \$100 filing fee on each civil suit, and an additional \$10 charge for each additional pleading on a civil matter. These additional fees collected by the Clerk are paid into the Livingston Parish Courthouse Fund maintained by the Livingston Parish Council for the purpose of repaying the Livingston Parish Council Revenue Bond Series 2011 which were issued by the Livingston Parish Council to finance the construction of the new Livingston Parish Courthouse. The Clerk collected and transferred \$756,293 to the Livingston Parish Council of the additional filing fee and the additional pleading fee from the Advanced Deposit Fund during fiscal year ended June 30, 2022. In addition, the Clerk collected and transferred \$609,770 to the Livingston Parish Council of the \$20 additional recordation fee collected in fiscal year ended June 30, 2022 from the Clerk's General Fund with an additional \$33,595 recorded as Due to Primary Government at June 30, 2022.

Note 14 - Schedule of Compensation, Benefits, and Other Payments to Agency Head -

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by Jason B. Harris, Clerk of Court, who was the acting agency head for the year ended June 30, 2022:

<u>Purpose</u>	
Salary	\$ 168,229
Election Compensation	2,400
Benefits - Insurance	10,933
Benefits - Retirement	58,910
Car Allowance	24,875
Registration Fees	650
Conference Travel	255

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Note 15 - Change in Accounting Principle -

For the fiscal year ended June 30, 2022, the Clerk implemented GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The following beginning balances have been restated in accordance with GASB Statement No. 87, *Leases*.

<u>Governmental Activities</u>	
Lease Assets at June 30, 2021, as Previously Reported	\$ -
To Record Lease Assets	<u>53,737</u>
Lease Assets at June 30, 2021, as Restated	<u><u>\$ 53,737</u></u>
Lease Liabilities at June 30, 2021, as Previously Reported	\$ -
To Record Lease Liabilities	<u>(54,358)</u>
Lease Liabilities at June 30, 2021, as Restated	<u><u>\$ (54,358)</u></u>
Net Position (Deficit) at June 30, 2021, as Previously Reported	\$ (4,418,922)
To Record Lease Assets	<u>(621)</u>
Net Position (Deficit) at June 30, 2021, as Restated	<u><u>\$ (4,419,543)</u></u>

The Clerk of Court also adopted GASB Statement No. 92 *Omnibus 2020*, and No. 97 *Certain Component Unit Criteria* during the current year, which had no effect on the financial statements.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Note 16 - Subsequent Event -

Management has evaluated subsequent events through December 20, 2022, the date which the financial statements were available to be issued.

Note 17 - Current Accounting Pronouncement -

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the Clerk of Court's fiscal year 2022.

- Statement No. 91, *Conduit Debt Obligations* (2023)
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (2023)
- Statement No.96, *Subscription-Based Information Technology Arrangements* (2023)

The Clerk of Court is currently evaluating the effects that these statements will have in its financial statements for the years ended June 30, 2023 and later.

REQUIRED SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2022*

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana Clerks' of Court Retirement and Relief Fund:					
2015	2.16573%	\$ 2,921,264	\$ 1,955,235	149.41%	79.37%
2016	2.09347%	3,140,271	1,893,963	165.80%	78.13%
2017	2.05950%	3,810,021	1,879,795	202.68%	74.17%
2018	2.10940%	3,191,373	1,904,573	167.56%	79.69%
2019	2.04860%	3,407,729	1,902,066	179.16%	79.07%
2020	2.03078%	3,687,875	1,974,321	186.79%	77.93%
2021	2.21970%	5,340,288	2,200,942	242.64%	72.09%
2022	2.32377%	3,091,159	2,345,545	131.79%	85.40%

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

*The amounts presented were determined as of the previous fiscal year end.

See independent auditor's report.

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2022

<u>Fiscal 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 % of Covered Payroll</u>
Louisiana Clerks' of Court Retirement and Relief Fund:					
2015	\$ 359,855	\$ 359,855	\$ -	\$ 1,893,963	19.00%
2016	357,161	357,161	-	1,879,795	19.00%
2017	361,869	361,869	-	1,904,573	19.00%
2018	361,566	361,566	-	1,902,979	19.00%
2019	375,120	375,120	-	1,974,321	19.00%
2020	418,179	418,179	-	2,200,942	19.00%
2021	492,430	492,430	-	2,345,445	21.00%
2022	512,631	512,631	-	2,303,955	22.25%

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

See independent auditor's report.

LIVINGSTON PARISH CLERK OF COURT
SCHEDULE OF CHANGES IN THE CLERK'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2022

<u>Total OPEB Liability</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Service Cost	\$ 117,898	\$ 121,435	\$ 131,179	\$ 183,757	\$ 189,270
Interest	145,263	145,838	155,931	126,289	131,847
Changes in Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(41,848)	172,039	299,663	176,754	(301,488)
Changes in Assumptions or Other Inputs	-	-	785,874	47,448	(1,191,836)
Benefit Payments	(147,699)	(155,822)	(139,693)	(147,377)	(153,811)
Net Change in Total OPEB Liability	73,614	283,490	1,232,954	386,871	(1,326,018)
Total OPEB Liability - Beginning	4,032,476	4,106,090	4,389,580	5,622,534	6,009,405
Total OPEB Liability - Ending	<u>\$ 4,106,090</u>	<u>\$ 4,389,580</u>	<u>\$ 5,622,534</u>	<u>\$ 6,009,405</u>	<u>\$ 4,683,387</u>
Covered-Employee Payroll	\$ 1,485,273	\$ 1,529,831	\$ 2,333,476	\$ 2,403,480	\$ 2,377,199
Total OPEB Liability as a Percentage of Covered-Employee Payroll	276.45%	286.93%	240.95%	250.03%	197.01%

Notes to Schedule

<i>Benefit Changes:</i>	None	None	None	None	None
<i>Changes of Assumptions:</i>					
<i>Discount Rate:</i>	3.50%	3.50%	2.21%	2.16%	3.54%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2014	RP-2014	RP-2014
<i>Trend:</i>	5.50%	5.50%	Variable	Variable	Variable

There are no plan assets accumulated in a trust to pay OPEB benefits.

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

See independent auditor's report.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2021

Louisiana Clerks' of Court Retirement and Relief Fund:

Changes in Actuarial Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2021, 2020, 2019, 2018, 2017, and 2016.

For the year ended June 30, 2015, for the Louisiana Clerks of Court Retirement and Relief Fund, retirement, DROP entry, and withdrawal rates were changed based on the results of the actuarial experience study for the period July 1, 2009 – June 30, 2014 and expectations of future experience. Family statistics were also updated based on more recent measures available from the United States Census Bureau.

Other changes are as follows:

<u>Valuation Date</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Investment Rate of Return	6.55%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%
Inflation Rate	2.40%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Projected Salary Increase	1-5 years service - 6.2%; 5 years or more - 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality Rate - Active Members	Pub-2010 PRP multiplied by 120%. Mortality Table with full generational projection MP-2019 improvement scale	Pub-2010 PRP multiplied by 120%. Mortality Table with full generational projection MP-2019 improvement scale	No Change	No Change	No Change	No Change	RP 2000 employee table set back 4 years for males and 3 years for females
Mortality Rate - Annuitant and Beneficiary	Same as Active Members	Same as Active Members	No Change	No Change	No Change	No Change	RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 for males and females
Mortality Rate - Disabled	Same as Active Members	Same as Active Members	No Change	No Change	No Change	No Change	RP 2000 disabled lives mortality table set back 5 year for males and 3 year for females

SCHEDULES REQUIRED BY STATE LAW (R.S. 24:515.2 ACT 87)

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF JUSTICE SYSTEM FUNDING - RECEIVING ENTITY

FOR THE YEAR ENDED JUNE 30, 2022

Cash Basis Presentation	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
Receipts From:		
Livingston Parish Sheriff's Office - Criminal Bond Fees	\$ 1,914	\$ 1,688
Livingston Parish Sheriff's Office - Criminal Fines	96,621	104,628
21st Judicial District Court - Hearing Officer Minute Clerk Supplement	7,200	7,200
Livingston Parish Council - Court Attendance	4,960	5,280
Louisiana Clerk's of Court Association - Supplemental Compensation Fund	12,300	12,300
Total Receipts	\$ 122,995	\$ 131,096

See independent auditor's report.

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF JUSTICE SYSTEM FUNDING - COLLECTING/DISBURSING ENTITY

FOR THE YEAR ENDED JUNE 30, 2022

Cash Basis Presentation	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 5,696,687	\$ 5,745,950
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	1,561,040	1,924,326
Bond Fees	3,938	2,567
Other - Jury Reimbursements	40,210	44,030
Subtotal Collections	1,605,188	1,970,923
Less: Disbursements To Governments and Nonprofits:		
Livingston Parish Sheriff's Office - Jury Payments	12,500	13,000
Livingston Parish Sheriff's Office - Non-Support Fees	352	223
Ascension Parish Sheriff's Office - Civil Fees	3,582	4,002
Assumption Parish Sheriff's Office - Civil Fees	187	195
Avoyelles Parish Sheriff's Office - Civil Fees	21	-
Beauregard Parish Sheriff's Office - Civil Fees	-	101
Bossier Parish Sheriff's Office - Civil Fees	107	47
Caddo Parish Sheriff's Office - Civil Fees	30	78
Calcasieu Parish Sheriff's Office - Civil Fees	125	135
Concordia Parish Sheriff's Office - Civil Fees	-	118
Desoto Parish Sheriff's Office - Civil Fees	59	-
East Baton Rouge Parish Sheriff's Office - Civil Fees	3,572	2,666
East Feliciana Parish Sheriff's Office - Civil Fees	233	219
Evangeline Parish Sheriff's Office - Civil Fees	-	71
Iberia Parish Sheriff's Office - Civil Fees	15	35
Iberville Parish Sheriff's Office - Civil Fees	205	281
Jefferson Parish Sheriff's Office - Civil Fees	30	-
Lafayette Parish Sheriff's Office - Civil Fees	621	764
Lafourche Parish Sheriff's Office - Civil Fees	133	82
Livingston Parish Sheriff's Office - Civil Fees	92,688	77,135
Madison Parish Sheriff's Office - Civil Fees	-	60
Morehouse Parish Sheriff's Office - Civil Fees	68	-
Orleans Parish Sheriff's Office - Civil Fees	1,160	1,290
Ouachita Parish Sheriff's Office - Civil Fees	192	47
Pointe Coupee Parish Sheriff's Office - Civil Fees	-	109
Rapides Parish Sheriff's Office - Civil Fees	124	92
Richland Parish Sheriff's Office - Civil Fees	-	36
St. Bernard Parish Sheriff's Office - Civil Fees	99	165
St. Charles Parish Sheriff's Office - Civil Fees	119	218
St. Helena Parish Sheriff's Office - Civil Fees	272	259
St. James Parish Sheriff's Office - Civil Fees	105	94
St. John the Baptist Parish Sheriff's Office - Civil Fees	35	223
St. Landry Parish Sheriff's Office - Civil Fees	79	143

(CONTINUED)

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF JUSTICE SYSTEM FUNDING - COLLECTING/DISBURSING ENTITY (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
Less: Disbursements To Governments and Nonprofits (Continued):		
St. Martin Parish Sheriff's Office - Civil Fees	143	78
St. Mary Parish Sheriff's Office - Civil Fees	58	89
St. Tammany Parish Sheriff's Office - Civil Fees	83	8
Tangipahoa Parish Sheriff's Office - Civil Fees	1,775	1,847
Terrebonne Parish Sheriff's Office - Civil Fees	6	115
Vernon Parish Sheriff's Office - Civil Fees	65	-
Washington Parish Sheriff's Office - Civil Fees	91	77
West Baton Rouge Parish Sheriff's Office - Civil Fees	32	-
West Feliciana Parish Sheriff's Office - Civil Fees	104	47
Winn Parish Sheriff's Office - Civil Fees	-	62
Livingston Parish Council - Courthouse Civil Fees \$10/pleading	192,524	174,800
Livingston Parish Council - Courthouse Civil \$100/New Pleading Fees	172,200	190,647
Livingston Parish Council - Recording Fees for Courthouse bond pd in Civil Suits	12,040	14,082
Southeast Legal Services - Civil Fees	5,056	5,288
21st Judicial Expense Fund - Indigent Transcript Fund Civil Fees	914	948
21st Judicial Expense Fund - Civil Fees	34,351	35,200
Louisiana Supreme Court 1 - Civil Fees	885	286
Louisiana Supreme Court 2 - Civil Fees	894	879
Louisiana Clerks Remote Access Authority (Pd from Civil Suits)	1,656	1,779
Louisiana State Treasurer - (Jud. Admin Fee)	44,417	45,889
Hon. Rodd Naquin - First Circuit Court of Appeal	3,597	1,962
State of LA Dept. of Children and Family Services	7,966	11,082
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Livingston Parish Clerk of Court - Civil Filing Fees	759,670	814,968
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	152,078	141,175
Steno fees to Court Reporters	8,795	9,305
Civil Jury - Juror Costs	3,230	-
Criminal Jury - Juror Costs	21,259	44,082
Curator's fees	12,287	12,516
Miscellaneous	2,480	1,275
Bank Fees	559	539
Subtotal Disbursements/Retainage	1,555,925	1,610,914
Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 5,745,950	\$ 6,105,959

See independent auditor's report.

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

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*

To the Honorable Jason B. Harris
Livingston Parish Clerk of Court
Livingston, 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 and the major fund (the General Fund), and the fiduciary fund, of the Livingston Parish Clerk of Court “the Clerk” (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk’s basic financial statements, and have issued our report thereon dated December 20, 2022.

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) as a basis for designing 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 Clerk’s internal control. Accordingly, we do not express an opinion on the effectiveness of 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.

Honorable Jason B. Harris
Livingston Parish Clerk of Court

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 of financial statements. 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 is required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 20, 2022

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2022

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weaknesses identified?	<u> </u> Yes	<u> x </u> No
• Significant deficiencies identified?	<u> </u> Yes	<u> x </u> None Reported

Noncompliance material to financial statements noted?	<u> </u> Yes	<u> x </u> No
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B. Internal Control Over Financial Reporting

None

C. Compliance and Other Matters

None

LIVINGSTON PARISH CLERK OF COURT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

A. Internal Control Over Financial Reporting

None

B. Compliance and Other Matters

None

LIVINGSTON PARISH CLERK OF COURT
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

JUNE 30, 2022

LIVINGSTON, LOUISIANA

Independent Accountant's Report
on Applying Agreed-Upon Procedures

The Honorable Jason B. Harris
Livingston Parish Clerk of Court
Livingston, Louisiana

Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Livingston Parish Clerk of Court (the Clerk) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Clerk's management is responsible for those C/C areas identified in the SAUPs.

The Clerk has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget. – **No exceptions.**
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes. – **No exceptions.**
 - c) ***Disbursements***, including processing, reviewing, and approving. – **No exceptions.**

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No exceptions.**
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- Exception** – The Clerk does have a policy relating to payroll; however, the Clerk's policy and procedures do not specifically address approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process. – **No exceptions.**
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases). – **No exceptions.**
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No exceptions.**
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy. – **No exceptions.**
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Exception** – The Clerk does not have written debt services policies and procedures that address debt issuance approval, continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements. However, the Clerk does not have any debt.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- Exception** – The Clerk does not have written policies and procedures related to items (1) through (6). Although the Clerk does not have formal written policies and procedures related to the above items, they do have informal procedures in place.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- Exception** – The Clerk does have a policy relating to sexual harassment; however, the Clerk's policy and procedures do not address annual employee training and annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. – **Not applicable – The Clerk is an independently elected official.**
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.* – **Not applicable – The Clerk is an independently elected official.**
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund. – **Not applicable – The Clerk is an independently elected official.**

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged); – **No exceptions.**
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and – **No exceptions.**
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception – 3 of the 5 bank reconciliations included reconciling items that had been outstanding more than 12 months from the statement closing date that did not have documentation reflecting they had been researched by management.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5). – **No exceptions.**

5. For each deposit site selected, obtain a listing of collection locations and management’s representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers. – **No exceptions.**
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit. – **No exceptions.**
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit. – **No exceptions.**
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. – **No exceptions.**
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period. – **No exceptions.**
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered. – **No exceptions.**
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No exceptions.**
 - c) Trace the deposit slip total to the actual deposit per the bank statement. – **No exceptions.**
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer). – **No exceptions.**
 - e) Trace the actual deposit per the bank statement to the general ledger. – **No exceptions.**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). – **No exceptions.**
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job

duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. – **No exceptions.**
 - b) At least two employees are involved in processing and approving payments to vendors. – **No exceptions.**
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. – **No exceptions.**
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. – **No exceptions.**
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and: – **No exceptions.**
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity. – **No exceptions.**
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable. – **No exceptions.**

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. – **No exceptions.**
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. – **No exceptions.**
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Exception – On one of the statements selected, late fees were assessed.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts,

the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Exception – For one of the transactions selected, the client was able to provide an original itemized receipt that identified precisely what was purchased; however, the receipt amount did not agree to the statement amount. There was a difference of \$9.13 which the client indicated was for a tip.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov). – **No exceptions.**
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. – **No exceptions.**
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h). – **No exceptions.**
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. – **No exceptions.**

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law. – **No exceptions.**
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter). – **No exceptions.**
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented). – **No exceptions.**
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract. – **No exceptions.**

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files. – **No exceptions.**
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.) – **No exceptions.**
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials. – **No exceptions.**
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. – **No exceptions.**
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file. – **No exceptions.**
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- Exception** – For one of the employees selected for testing, the client was unable to provide documentation on the authorized pay rate. The employee selected was a retired employee who had agreed to work part time on as needed basis to fill in until a position was filled.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines. – **No exceptions.**

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. – **No exceptions.**
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable. – **Not applicable – no changes to the entity's ethics policy during the fiscal period.**

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued. – **Not applicable – The Clerk does not have any debt.**
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants). – **Not applicable – The Clerk does not have any debt.**

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled. – **None noted.**
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. – **Notice posted on premises and on website.**

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported. – **We performed the procedure and discussed the results with management.**
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months. – **We performed the procedure and discussed the results with management.**
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor. – **We performed the procedure and discussed the results with management.**

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year. – **No exceptions.**
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website). – **No exceptions.**
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: – **No exceptions.**
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;.
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

We were engaged by the Clerk to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Respectfully submitted,
Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 20, 2022

Livingston Parish Clerk of Court



JASON B. HARRIS
Clerk of Court

P.O. BOX 1150
Livingston, Louisiana 70754
225.686.2216

December 13, 2022

Hannis T. Bourgeois, LLP
178 Del Orleans Ave Suite C
Denham Springs, La 70726

Re: Exceptions to Annual Audit

Dear Mr. Sanders

Below are the responses to the exceptions to the annual audit for Livingston Parish Clerk of Court for the fiscal year ending June 30, 2022.

1. Payroll/Personnel –
The Clerk's office is in the process of developing written policies and procedures to specifically address the approval process for employee(s) rate of pay and the approval and maintenance of pay rate schedules.
2. Debt Service –
The Clerk's office is in the process of developing written debt services policies and procedures that address debt issuance approval, continuing disclosure/EMMA reporting requirements, debt reserve requirements and debt service requirements. These policies were not previously established since the Clerk's office has never had any debts.
3. Information Technology Disaster Recovery/Business Continuity –
The Clerk's office is in the process of developing written policies and procedures to formalize the informal procedures in place related to (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
4. Sexual Harassment –
The Clerk's office is in the process of revising the sexual harassment policy to address annual employee training and annual reporting, specifically.

5. Bank Reconciliations –

The Clerk's office is in the process of developing a procedure to research reconciling items that had been outstanding more than 12 months from the statement closing date, including the reissuance of items and the reporting of unclaimed property to the state.

6. Credit Cards –

The Clerk's office is in the process of developing a procedure to ensure credit card balances are paid timely and that no finance charges or late fees are assessed going forward.

The Clerk's office is also in the process of training credit card users to ensure the itemized receipts submitted match the total amount charged on their credit card statements.

If you feel any of these responses to the exceptions to the annual audit for the Livingston Parish Clerk of Court for the fiscal year ending June 30, 2022 are inadequate, please let us know and we can establish additional mitigation efforts to clear the exceptions.

Sincerely,



Jason Harris
Clerk of Court