

**TANGIPAHOA PARISH CLERK OF COURT**

Amite, Louisiana

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**ANNUAL FINANCIAL REPORT**

As of and for the Year Ended June 30, 2019

**TANGIPAHOA PARISH CLERK OF COURT**

Amite, Louisiana  
**ANNUAL FINANCIAL REPORT**  
 As of and for the Year Ended June 30, 2019

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## Independent Auditor's Report

The Honorable Gary Stanga, Clerk of Court  
Tangipahoa Parish Clerk of Court  
Amite, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Tangipahoa Parish Clerk of Court, a component unit of Tangipahoa Parish Government, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Clerk of Court's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate remaining fund information of the Tangipahoa Parish Clerk of Court as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the Clerk's proportionate share of the net pension liability, the schedule of the Clerk's contributions, and the schedule of changes in the Clerk's total OPEB liability and related ratios on pages 4 through 9, pages 39 through 41, page 42, page 43, and page 44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

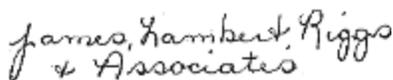
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Parish Clerk of Court's basic financial statements. The statement of fiduciary net position – agency funds; the schedule of changes in unsettled deposits – agency funds; and the schedule of compensation, benefits, and other payments to the Clerk of Court are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of fiduciary net position – agency funds; the schedule of changes in unsettled deposits – agency funds; and the schedule of compensation, benefits, and other payments to Clerk of Court are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of fiduciary net position – agency funds; the schedule of changes in unsettled deposits – agency funds; and the schedule of compensation, benefits, and other payments to Clerk of Court are fairly stated, in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of the Tangipahoa Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Tangipahoa Parish Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Parish Clerk of Court's internal control over financial reporting and compliance.



James Lambert Riggs & Associates, Inc.

Hammond, Louisiana  
December 19, 2019

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Tangipahoa Parish Clerk of Court**  
Amite, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
As of and for the Year Ended June 30, 2019

**Introduction**

The Tangipahoa Parish Clerk of Court (the Clerk) is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The Clerk's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Clerk's financial activity, (c) identify changes in the Clerk's financial position, (d) identify any significant variations from the Clerk's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Clerk's financial statements on pages 11 through 37 of this report.

**Financial Highlights**

- At June 30, 2019, the Clerk's governmental fund reported an ending fund balance of \$4,274,408, an increase of \$571,585 for the year. All of this amount is available for spending at the Clerk's discretion.
- For the year ended June 30, 2019, the Clerk's total debt increased by \$1,631,371, or approximately 16.11%, primarily due to an increase in the OPEB liability.

**Overview of the Financial Statements**

The financial statement focus is on both the Clerk as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Clerk's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Clerk's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Clerk's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Clerk'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, the 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 is improving or deteriorating.

**Tangipahoa Parish Clerk of Court**  
Amite, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
As of and for the Year Ended June 30, 2019

The Statement of Activities presents information showing how the Clerk's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Clerk's various revenues. This is intended to summarize and simplify the reader's analysis of the cost and/or subsidy of various governmental services.

In both of the government-wide financial statements, the Clerk's activities are of a single type:

- Governmental activities - Most of the Clerk's basic services are reported here and are financed primarily through charges for services.

The government-wide financial statements include the Tangipahoa Parish Clerk of Court (component unit of Tangipahoa Parish Government) and can be found on pages 11 and 12 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk uses two categories of funds to account for financial transactions: governmental funds and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Clerk's basic services. 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 that are left at year-end that are available for spending. 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's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. The basic governmental fund financial statements can be found on pages 13 through 18 of this report.

Fiduciary funds are used to account for assets held on behalf of outside parties. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for others. These funds are custodial in nature and do not involve measurement of results of operations. The basic fiduciary fund financial statement can be found on page 19 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements, insight on the long-term impact of the Clerk's more immediate decisions on the current use of financial resources. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 14 and 18 of this report.

**Tangipahoa Parish Clerk of Clerk**  
Amite, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
As of and for the Year Ended June 30, 2019

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 37 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Clerk's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 11 of this report.

**Net Position**  
**June 30, 2019, and 2018**

	Governmental Activities		
	2019	2018	\$ Change
<b>Assets:</b>			
Current and Other Assets	\$ 4,303,990	\$ 3,740,528	\$ 563,462
Capital Assets	290,548	235,212	55,336
Total Assets	<u>4,594,538</u>	<u>3,975,740</u>	<u>618,798</u>
Deferred outflow of resources	<u>2,093,591</u>	<u>1,297,456</u>	<u>796,135</u>
<b>Liabilities:</b>			
Long-Term Liabilities	11,666,882	10,042,309	1,624,573
Other Liabilities	118,094	107,819	10,275
Total Liabilities	<u>11,784,976</u>	<u>10,150,128</u>	<u>1,634,848</u>
Deferred inflow of resources	<u>289,166</u>	<u>140,801</u>	<u>148,365</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	290,548	235,212	55,336
Unrestricted (Deficit)	<u>(5,676,561)</u>	<u>(5,252,945)</u>	<u>(423,616)</u>
Total Net Position (Deficit)	<u>\$ (5,386,013)</u>	<u>\$ (5,017,733)</u>	<u>\$ (368,280)</u>

\$290,548 of the Clerk's net (deficit) position reflects its investment in capital assets (land, buildings, furniture, and equipment). These capital assets are used to provide services to citizens and do not represent resources available for future spending.

The Clerk's activities increased its total net (deficit) by \$368,280; the increase is primarily attributable to an increase in the OPEB liability.

In order to further understand what makes up the changes in net position (deficit), the following table provides a summary of the results of the Clerk's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 12 of this report.

**Tangipahoa Parish Clerk of Court**  
Amite, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
As of and for the Year Ended June 30, 2019

**Changes in Net Position**  
For the Years Ended June 30, 2019, and 2018

	Governmental Activities		
	2019	2018	\$ Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 5,380,264	\$ 5,262,048	\$ 118,216
Operating grant	14,988	11,600	3,388
General Revenues:			
Interest Income	132,047	68,292	63,755
Support Revenue	293,751	302,714	(8,963)
Total Revenues	5,821,050	5,644,654	176,396
Expenses:			
General Government	6,189,330	5,101,205	1,088,125
Total Expenses	6,189,330	5,101,205	1,088,125
Change in Net Position	(368,280)	543,449	(911,729)
Net Position (Deficit), Beginning,	(5,017,733)	(5,561,182)	543,449
Net Position (Deficit), Ending	\$ (5,386,013)	\$ (5,017,733)	\$ (368,280)

**Governmental Activities**

The Clerk's governmental net (deficit) increased by \$368,280 or 7.34% of the prior year ending net (deficit), to \$(5,368,013).

The increase in revenues noted above is primarily comprised of an increase in court costs, fees, charges, birth certificate fees, and recording fees.

The increase in expenses noted above is primarily comprised of an increase in salaries, retirement contributions, health insurance premiums, and remote access fees.

**Fund Financial Analysis**

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

**Tangipahoa Parish Clerk of Court**  
Amite, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
As of and for the Year Ended June 30, 2019

**Governmental Funds**

The focus of the Clerk's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Clerk's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Clerk's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 13 through 18 of this report.

At the end of the current year, the Clerk's governmental fund reported an ending fund balance of \$4,274,408, all of which was available for spending at the Clerk's discretion. This represents an increase of \$571,585 or 15.44% of the prior year's ending balance.

**Fiduciary Funds**

Fiduciary funds reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for others.

These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The basic fiduciary fund financial statement can be found on page 19 of this report.

**General Fund Budgetary Highlights**

The Tangipahoa Parish Clerk of Court demonstrated legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues were within 5% of budgeted revenues and actual expenditures were within 5% of budgeted expenditures.

For the general fund, actual revenue amounts exceeded final budgeted revenues by \$268,404. Actual expenditures were less than final budgeted expenditures amounts by \$91,624.

For the general fund, original budgeted revenues were \$4,951,675 and final budgeted revenues were \$5,527,299. Original budgeted expenditures were \$4,886,872 and final budgeted expenditures were \$4,967,314.

The general fund's original budget was amended primarily to reflect an increase in revenues and an increase in expenditures.

**Capital Assets and Debt Administration**

**Capital Assets**

The Clerk's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$290,548 (net of depreciation). The total increase in the Clerk's investment in capital assets for the current fiscal year was \$55,336 (net of depreciation).

The major capital asset additions during the current year were the purchase of computers.

**Tangipahoa Parish Clerk of Court**  
Amite, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
As of and for the Year Ended June 30, 2019

The following table provides a summary of the Clerk's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements on page 29 of this report.

**Capital Assets (Net of Depreciation)**  
**June 30, 2019, and 2018**

	Governmental Activities	
	2019	2018
Land	\$ 27,800	\$ 27,800
Buildings	78,621	83,795
Furniture	61,646	24,047
Office Equipment	38,822	29,195
Data Processing Equipment / Software	74,090	54,103
Internet Conversion	21,085	27,788
Microfilm Conversion	(11,516)	(11,516)
Capital Assets, Net	<u>\$ 290,548</u>	<u>\$ 235,212</u>

**Long-term Debt**

At June 30, 2019, the Clerk had total long-term debt outstanding of \$11,755,394. The following table provides a summary of the Clerk's outstanding debt at the end of the current year as compared to the prior year.

**Outstanding Long-Term Debt**  
**June 30, 2019, and 2018**

	Governmental Activities	
	2019	2018
Compensated Absences	\$ 161,208	\$ 153,646
Postemployment Healthcare Benefits Payable	7,139,907	5,691,961
Net Pension Liability	4,454,279	4,278,416
Total Long-term Debt	<u>\$ 11,755,394</u>	<u>10,124,023</u>

**Contacting the Clerk's Financial Management**

This financial report is designed to provide the citizens of Tangipahoa Parish with a general overview of the Clerk's finances and show the Clerk's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Tangipahoa Parish Clerk of Court, Tangipahoa Parish Courthouse, Post Office Box 667, Amite, Louisiana 70422, telephone (985) 748-4146.

**BASIC FINANCIAL STATEMENTS**

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement of Net Position  
June 30, 2019

Statement A

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 3,890,228
Investments	200,000
Receivables	146,339
Due from Other Funds	10,062
Prepaid Insurance	57,361
Capital Assets, Net	290,548
Total Assets	<u>4,594,538</u>
<b>Deferred Outflow of Resources</b>	
GASB 68 - pension	
GASB 75 - OPEB	1,451,701
Total Deferred Outflow of Resources	<u>641,890</u>
	<u>2,093,591</u>
<b>Liabilities</b>	
Accounts, Salaries, and Other Payables	28,494
Due to Other Funds	1,088
Noncurrent Liabilities:	
Due Within One Year	
Accrued Compensated Absences	88,512
Due in More Than One Year	
Accrued Compensated Absences	72,696
Postemployment Healthcare Benefits Payable	7,139,907
Net Pension Liability	4,454,279
Total Liabilities	<u>11,784,976</u>
<b>Deferred Inflow of Resources</b>	
GASB 68 - pension	228,589
GASB 75 - OPEB	60,577
Total Deferred Inflow of Resources	<u>289,166</u>
<b>Net Position</b>	
Net Investment in Capital Assets	290,548
Unrestricted (Deficit)	<u>(5,676,561)</u>
Total Net Position (Deficit)	<u>\$ (5,386,013)</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement B

Statement of Activities  
For the Year Ended June 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities</b>				
General Government	\$ 6,189,330	\$ 5,380,264	\$ 14,988	\$ (794,078)
<b>General Revenues</b>				
Interest Income				132,047
Support Revenues				293,751
Total General Revenues				425,798
<b>Change in Net Position</b>				(368,280)
<b>Net (Deficit), Beginning of Year, restated</b>				(5,017,733)
<b>Net (Deficit), End of Year</b>				\$ (5,386,013)

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Balance Sheet  
Governmental Fund  
June 30, 2019

Statement C

	<u>General Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 3,890,228
Investments	200,000
Receivables	146,339
Due from Other Funds	10,062
Prepaid Insurance	57,361
Total Assets	<u>\$ 4,303,990</u>
<b>Liabilities and Fund Balance</b>	
Liabilities:	
Accounts, Salaries, and Other Payables	\$ 28,494
Due to Other Funds	<u>1,088</u>
Total Liabilities	<u>29,582</u>
<b>Fund Balance:</b>	
Unassigned	<u>4,274,408</u>
Total Fund Balance	<u>4,274,408</u>
Total Liabilities and Fund Balance	<u>\$ 4,303,990</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement D

Reconciliation of the Governmental Fund Balance Sheet to  
the Government-Wide Statement of Net Position  
June 30, 2019

**Total Fund Balance, Governmental Fund** \$ 4,274,408

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

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

Governmental capital assets, net of depreciation 290,548

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Compensated absences payable (161,208)  
Other postemployment obligations liability (7,139,907)  
Net Pension Liability (4,454,279)

Deferred outflows and inflows are not financial resources or currently payable. These consist of:

Deferred outflows 2,093,591  
Deferred inflows (289,166)

**Net Position (Deficit) of Governmental Activities** \$ (5,386,013)

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2019

	<u>General Fund</u>
<b>Revenues</b>	
Licenses and Permits:	
Marriage Licenses	\$ 27,595
Fees, Charges, and Commissions for Services:	
Court Cost, Fees, and Charges:	
Criminal Fees	298,027
Suits & Successions	1,899,916
Bond Fees	5,756
Remote Access Fees	99,749
Court Attendance	12,400
Internet Fees	118,705
Fees for Recording Legal Documents:	
Recordings, Cancellations, and Mortgages	2,278,838
Use of Money and Property:	
Interest	132,047
Miscellaneous Revenues:	
Internet Copies	259,386
Copy Room Copies	34,236
Abstractor Copies	9,860
Minute Clerk Reimbursement	14,400
Birth Certificates	179,916
Death Certificates	5,018
Election Reimbursement	22,590
Parish Council Reimbursement - Jury Commissioners	4,468
Passports	23,585
Clerk's Supplemental Compensation	24,500
Election Qualifying Fees	8,735
Miscellaneous	110
Expungement	7,440
Map Copies	3,184
Sale of Traffic Data	41,850
Grant Revenues	<u>14,988</u>
Total Revenues	<u>\$ 5,527,299</u>

(Continued)

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2019

**Expenditures**

General  
Fund

General Government:

Clerk's Supplemental Compensation	\$	24,600
Clerk's Vehicle Expense Allowance		24,300
Custodian of Voting Machines		2,400
Election Expense		1,807
Employee Health Insurance		602,275
Payroll Taxes		41,957
Retirement Contributions		689,661
Salary of Election Employees		20,314
Salary of Deputies		2,476,925
Salary of Deputies - Overtime		1,373
Salary of Official		122,671
Salary of Other Employees		9,819
Supplemental Comp Fund		54,000
Uniforms		8,614
Total General Government		<u>4,080,716</u>

Operating Services:

Building Maintenance & Security		6,317
Clerk's Expense Allowance		14,727
Remote Access Fees		49,874
Courier Service		18,388
Dues & Association Fees		2,845
Insurance Expense		30,572
Janitorial Service		31,734
Jury Commission		4,866
Legal Fees		4,780
Marriage License - Spouse Abuse		13,110
Miscellaneous		835
Birth Certificates		103,189
Utilities		2,782
Office Equipment Rental & Maintenance		115,267
Professional Fees		77,531
Qualifying Expense		8,054
Appeal Expense		300
Telephone		7,930
UCC Billings		38,811
Total Operating Services		<u>531,912</u>

(Continued)

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2019

	General Fund
Materials and Supplies:	
Office Supplies	\$ 93,401
Postage	51,834
Computer Expense	75,539
Bank / Credit Card Charges	10,420
Total Materials and Supplies	231,194
Travel and Education:	
Travel & Conventions	5,443
Training & Education	1,273
Total Travel and Education	6,716
Capital Expenditures:	
Computers	30,864
Equipment	85,043
Furniture	869
Total Capital Expenditures	116,776
Total Expenditures	4,967,314
<b>Excess of Revenues</b>	559,985
<b>Fund Balance, Beginning of Year -Restated</b>	3,714,423
<b>Fund Balance, End of Year</b>	\$ 4,274,408

(Concluded)

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement F

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance of Governmental Fund  
to the Statement of Activities

For the Year Ended June 30, 2019

**Net Change in Fund Balance - Total Governmental Funds** \$ 559,985

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

Capital outlays are reported in governmental funds as expenditures.  
However, in the statement of activities the cost of those assets is  
allocated over their estimated useful lives and reported as depreciation expense.  
These differences consist of:

Capital outlay	116,776
Depreciation	(61,440)

Some expenses reported in the statement of activities do not require the use  
of current financial resources and therefore are not reported as expenditures  
in governmental funds. These differences consist of:

Change in compensated absences payable	(7,562)
Net change in liability for postemployment healthcare	231,380
Pension expense per GASB 68	(378,046)
OPEB expenses per GASB 75	(1,123,124)

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the government funds.

293,751

**Change in Net Position of Governmental Activities** \$ (368,280)

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Statement G

Statement of Fiduciary Net Position  
Agency Funds  
June 30, 2019

	<u>Advance Deposit Fund</u>	<u>Registry Of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,782,048	\$ 1,027,999	\$ 2,107	\$ 2,812,154
Due from General Fund	<u>1,088</u>	<u>-</u>	<u>-</u>	<u>1,088</u>
Total Assets	<u>1,783,136</u>	<u>1,027,999</u>	<u>2,107</u>	<u>2,813,242</u>
<b>Liabilities</b>				
Due to General Fund	8,276	531	1,255	10,062
Due to Others - Civil Suits	1,771,291	1,027,468	-	2,798,759
Due to Others	<u>3,569</u>	<u>-</u>	<u>852</u>	<u>4,421</u>
Total Liabilities	<u>1,783,136</u>	<u>1,027,999</u>	<u>2,107</u>	<u>2,813,242</u>
<b>Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**TANGIPAOHA PARISH CLERK OF COURT**  
Amite, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2019

**Introduction**

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Tangipahoa Parish Clerk of Court (Clerk) 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 is elected for a four-year term that expires June 30, 2020.

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

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

This financial report has been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

**B. Reporting Entity**

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on Tangipahoa Parish Government. Tangipahoa Parish Government maintains and operates the parish courthouse in which the Clerk of Court's office is located, pays the rent for an additional office in Hammond, Louisiana, and provides funds for equipment and furniture of 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 parish government, the Clerk of Court was determined to be a component unit of Tangipahoa Parish Government, 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 parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. Fund Accounting**

The Clerk of Court uses 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 Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

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

## Tangipahoa Parish Clerk or Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

Fund balance is further classified on a hierarchy that shows, from the highest to the lowest, the level or form of constraints on fund balance and accordingly, the extent to which the Clerk is bound to honor them: nonspendable, restricted, committed, assigned and unassigned.

The following are the Clerk's governmental funds:

**General Fund** - the primary operating fund of the Clerk which accounts for the operations of the Clerk's office, including internet document access fees. Internet document access fees are statutory fees that may be expended for funding costs associated with the Internet-based Document Electronic Access System as provided by Louisiana Revised Statute 13:841.2.

The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk's policy.

**Fiduciary Funds** - focuses on net position and changes in net position. The funds accounted for in this category by the Clerk are agency funds. The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to litigants after all costs have been paid. The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court. The Civil Jury Fund accounts for civil jury fees transferred from the Advance Deposit Fund and paid to civil jurors. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus but use the accrual basis of accounting.

### **D. Measurement Focus / Basis of Accounting**

#### **Basic Financial Statements - Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Clerk as a whole. These statements include all the non-fiduciary activities of the Clerk with most of the interfund activities removed. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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 include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The Clerk does not allocate indirect expenses.

The Clerk implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows, or Resources and Net Position*. GASB 63 provides guidance for reporting deferred outflows or resources, deferred inflows or resources, and net position in a statement of financial position and related disclosures.

## Tangipahoa Parish Clerk or Court

### Notes to the Financial Statements

As of and for the Year Ended June 30, 2019

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented which establishes new financial reporting requirements for governments that provide their employees with pension benefits. Additional information about the Clerk's net pension liability is presented in the notes to the financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension*, was implemented which establishes new financial reporting requirements for governments that provide their employees with postemployment benefits other than pensions. Additional information about the clerk's postemployment healthcare benefit liability is presented in the notes to the financial statements.

#### **Basic Financial Statements - Governmental Funds**

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of the current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Clerk's operations.

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

#### **Revenues**

Revenues 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.

#### **Reconciliation**

Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities is presented in Statement F of the basic financial statements.

Tangipahoa Parish Clerk or Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2019

**E. Budget and Budgetary Accounting**

The Clerk uses the following budget practices:

- The budget is adopted or amended by the Clerk of Court.
- The budget is prepared on the modified accrual basis of accounting.
- All appropriations lapse at year end.
- The budget was published in the official journal on May 16, 2018.
- The budget was made available for public inspection at the Clerk's office on June 6, 2018.
- The budget hearing was held at the Clerk's office on June 6, 2018.
- The budget was adopted by the Clerk on June 6, 2018.
- The budget was amended by the Clerk on May 7, 2019.

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 the final amended budget of May 7, 2019.

**F. Deposits and Investments**

The Clerk's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State law allows the Clerk to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the reporting entity consist primarily of U.S. Treasury obligations and obligations of the U.S. agencies.

Investments for the Clerk are reported at fair market value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**G. Short-Term Interfund Receivables and Payables**

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

**H. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$500 or more for capitalizing assets.

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

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

Buildings	40 Years
Building Improvements	20 Years
Furniture	7 Years
Office Equipment	7 Years
Data Processing Equipment / Software	5 Years
Internet Conversion	10 Years
Microfilm Conversion	20 Years

**I. Compensated Absences**

The Clerk has the following policy relating to sick/personal and vacation leave:

**Sick/Personal Leave**

After six months of employment, each employee is granted 5 days (35 hours) sick (personal) leave. After one year of employment, each employee is granted 8 days (56 hours) of sick (personal) leave. At the beginning of each calendar year after the first full year of employment, each employee is granted 13 days (91 hours) of sick (personal) leave. Full time employees are allowed to carry over 30 leave days from year to year; any employee having in excess of 30 leave days as of December 31, shall forfeit the days in excess of 30 days. Employees in good standing are compensated for unused leave at their termination of employment at the rate of \$80 per day.

Each employee will be granted 1 paid leave day (7 hours) for their birthday, to be used at the discretion and approval of the Supervisor. This leave cannot be carried over.

After five years of employment, employees, at the Clerk's discretion, receive a total of 30 days leave for hospital confinement, surgery, or recovery from surgery, if ordered by a doctor. This is a one-time benefit. After the 30 days, the employee is considered on leave without pay, provided all other leave has been exhausted. This leave is not compensated for upon termination.

**Vacation Leave**

After six months of employment, each employee is granted 5 days (35 hours) vacation leave. After one year of employment, each employee is granted an additional 5 days (35 hours) of vacation leave. At the beginning of each calendar year after the first full year of employment, each employee is granted 10 days (70 hours) of vacation leave. Employees with ten years of full-time service receive 15 vacation days, employees with twenty years of service receive 20 vacation days, and employees with thirty years of service receive 25 vacation days. Employees are paid for unused vacation or have withheld from their final check any vacation owed. Vacation may be taken for sick leave if no sick leave is accrued. Vacation shall be taken in no less than 3-day intervals. One day at a time is not allowed. Vacation must be taken in the calendar year it is granted. Vacation not taken by December 31 of each year is forfeited.

**J. Restricted Net Position**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- imposed by law through constitutional provisions or enabling legislation.

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

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

**K. Fund Equity**

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Clerk did not have any nonspendable fund balance at June 30, 2019.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.

The Clerk did not have any restricted fund balance at June 30, 2019.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Tangipahoa Parish Clerk of Court. These amounts cannot be used for any other purpose unless the Tangipahoa Parish 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. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Clerk did not have any committed resources as of year end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Tangipahoa Parish Clerk of Court who has the authority to assign amounts to be used for specific purposes. The Clerk did not have any assigned resources as of year end.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. All of the Clerk's General Fund balance at June 30, 2019, is unassigned.

When fund balance resources are available for a specific purpose in multiple classifications, the Clerk would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Louisiana Revised Statute 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, which amount shall be limited to no more than that which was received by the Clerk in accordance with R.S. 13:784(A) during his term of office.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

**L. Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

**M. Estimates**

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

**2. Cash, Cash Equivalents, and Investments**

Cash, cash equivalents, and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Statement of net position (Statement A):	
Cash and cash equivalents	\$ 3,890,228
Investments	200,000
Fiduciary funds (Statement G):	
Cash and cash equivalents	<u>2,812,154</u>
Total cash, cash equivalents, and investments	<u>\$ 6,902,382</u>
Deposits, investments, and other (GASB 3 and 40 disclosures) as of June 30, 2019, consist of the following:	
Deposits with financial institutions:	
Deposits in bank accounts	\$ 1,090,204
Certificates of deposit	<u>200,000</u>
Total deposits with financial institutions	<u>1,290,204</u>
Investments:	
Louisiana Asset Management Pool	<u>5,612,178</u>
Total investments	<u>5,612,178</u>
Total deposits and investments	<u>\$ 6,902,382</u>

The deposits with financial institutions are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the carrying amount of the Clerk's deposits is \$1,290,204 and the bank balances are \$1,624,473. Of these bank balances, \$350,000 is covered by FDIC insurance and \$1,393,760 is uninsured but collateralized with securities held by Federal Home Loan Bank in the name of the fiscal agent bank.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

Even though the pledged securities are not held in the entity's name, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At fiscal year-end, the Clerk of Court's investment balances are as follows:

	Cost	Fair Value
Louisiana Asset Management Pool	\$ 5,612,178	\$ 5,612,178

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

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standards & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 41 as of June 30, 2019.
- Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

**3. Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a financial institution failure, the Clerk's deposits may not be returned to it. The Clerk does not have a separate deposit policy for custodial credit risk but follows the requirements under state law.

As of June 30, 2019, \$1,393,760 of the Clerk's bank balances are exposed to custodial credit risk. The \$1,393,760 is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the Clerk's name.

**4. Receivables**

The receivables of \$146,339 at June 30, 2019, are as follows:

	General Fund
Accounts	\$ 109,342
Criminal Fees	26,997
Other	10,000
	<u>\$ 146,339</u>

The Clerk considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

**5. Interfund Receivables / Payables**

Summary of balances due from (to) other funds reported in fund financial statements:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 10,062	\$ 1,088
Fiduciary Funds	1,088	10,062
	<u>\$ 11,150</u>	<u>\$ 11,150</u>

Balances due to/from other funds at June 30, 2019, consist of the following:

Earned Interest, Due to General Fund from Advance Deposit Fund	\$ 8,276
Bank, Credit Card Fees, and NSF's Due to Advance Deposit Fund from General Fund	1,088
Civil Jury Fund owes General Fund interest	1,256
Registry of Court Fund owes General Fund for bank and credit card fees	530
	<u>\$ 11,150</u>

Interest earned on deposits of the Advance Deposit Fund are assigned to and reported as revenue by the General Fund. The amount of interest earned by the Advance Deposit Fund for the year ended June 30, 2019, was \$46,046.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

**6. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2019, for governmental activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 27,800	\$ -	\$ -	\$ 27,800
Total Capital Assets Not Being Depreciated	<u>27,800</u>	<u>-</u>	<u>-</u>	<u>27,800</u>
Capital Assets Being Depreciated:				
Buildings	303,863	6,590	-	310,453
Furniture	533,721	48,068	-	581,789
Office Equipment	160,220	21,733	-	181,953
Data Processing Equipment / Software	640,257	40,385	-	680,642
Internet Conversion	149,595	-	-	149,595
Microfilm Conversion	166,141	-	-	166,141
Total Capital Assets Being Depreciated	<u>1,953,797</u>	<u>116,776</u>	<u>-</u>	<u>2,070,573</u>
Less Accumulated Depreciation for:				
Buildings	220,068	11,764	-	231,832
Furniture	509,674	10,469	-	520,143
Office Equipment	131,025	12,106	-	143,131
Data Processing Equipment / Software	586,154	20,398	-	606,552
Internet Conversion	121,807	6,703	-	128,510
Microfilm Conversion	177,657	-	-	177,657
Total Accumulated Depreciation	<u>1,746,385</u>	<u>61,440</u>	<u>-</u>	<u>1,807,825</u>
Capital Assets Being Depreciated, Net	<u>207,412</u>	<u>55,336</u>	<u>-</u>	<u>262,748</u>
Governmental Activities Capital Assets, Net	<u>\$ 235,212</u>	<u>\$ 55,336</u>	<u>\$ -</u>	<u>\$ 290,548</u>

Depreciation expenses of \$61,440 for the year ended June 30, 2019, was charged to the governmental activities.

**7. Compensated Absences**

At June 30, 2019, employees of the Clerk of Court have accumulated and vested \$161,208 of employee leave benefits. This amount is recorded as a liability on the statement of net position.

## Tangipahoa Parish Clerk of Court

### Notes to the Financial Statements

As of and for the Year Ended June 30, 2019

#### **8. Pension Plan**

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees hired on or before December 31, 2010, who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their monthly average final compensation for each year of credited service accrued on and before June 30, 1999; and 3½ per cent of their monthly average final compensation for each year of credited service accrued on and after July 1, 1999, not to exceed 100 per cent of their final-average salary. Employees hired on or after January 1, 2011, who retire at or after age 60 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their monthly average final compensation, not to exceed 100 per cent of their final average salary. Monthly average final compensation means the average of a member's monthly salary during the highest compensated sixty consecutive months or successive joined months if service was interrupted. However, the salary to be considered for the thirteenth through the twenty-fourth month may not exceed one hundred ten percent of the salary for the first through the twelfth month. The salary to be considered for the twenty-fifth through the thirty-sixth month may not exceed one hundred ten percent of the salary for the thirteenth through the twenty-fourth month. The salary to be considered for the thirty-seventh through the forty-eighth month may not exceed one hundred ten percent of the salary for the twenty-fifth through the thirty-sixth month. The salary to be considered for the forty-ninth through the sixtieth month may not exceed one hundred ten percent of the salary for the thirty-seventh through the forty-eighth month.

The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information of the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 10202 Jefferson Highway, Building A, Baton Rouge, LA 70809, or by calling (225) 293-1162.

*Funding Policy.* Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Tangipahoa Parish Clerk of Court is required to contribute at an actuarially determined rate which is presently 19.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contribution requirements of plan members and the Tangipahoa Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. In accordance with state statute, the System receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contribution are recognized as revenue and excluded from pension expense for the year ended June 30, 2019.

R.S. 11:1562(C) allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee's required contributions which would otherwise be deducted from the employee's salary. The Clerk has elected to pay 100% of all retirement system contributions to the Louisiana Clerks of Court Retirement and Relief Fund, which is 25.28% of annual covered payroll.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

The Tangipahoa Parish Clerk of Court's contributions to the System for the years ending June 30, 2019, 2018, and 2017, were \$689,661, \$644,145 and \$638,873, respectively, equal to the employer's and employees' required contributions for each year.

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

At June 30, 2019, the Clerk reported a liability of \$4,454,279 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks, actuarially determined. At June 30, 2018, the Clerk's proportion was 2.678 percent.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$879,214. At June 30, 2019, 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	\$ 118,212	\$ 44,003
Changes of assumptions	462,785	-
Net difference between projections and actual earnings on pension plan investments	85,024	-
Changes in proportion and differences between Clerk contributions and proportionate share of contributions	284,611	184,586
Clerk contributions subsequent to the measurement date	501,069	-
Total	<u>\$ 1,451,701</u>	<u>\$ 228,589</u>

\$501,069 reported as deferred outflows of resources related to pensions resulting from Clerk contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 392,205
2021	\$ 276,012
2022	\$ (15,767)
2023	\$ 69,593
2024	\$ 722,043
Thereafter	

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

Actuarial assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.75%, net of investment expense
Projected salary increase	5.00%
Inflation Rate	2.50%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) /RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	2018 – 5 years, 2017 - 5 years, 2016 - 5 years, 2015 - 5 years, 2014 - 5 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used in the June 30, 2018, valuation (excluding Mortality) was based on actuarial funding valuation and results of an actuarial experience study for the period July 1, 2009, to June 30, 2014, unless otherwise specified.

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 weighing 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 7.10% as June 30, 2018. Best estimates of geometric real rates of return for each major asset class included in the Funds target asset allocation as of June 30, 2018, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.00%
Domestic Equity:		
Large cap domestic equity	21.00%	4.50%
Non-large cap domestic equity	7.00%	4.75%
International Equity:		
Large cap international equity	14.00%	4.75%
Small cap international equity	6.50%	4.50%
Emerging markets	6.50%	6.25%
Real Estate	10.00%	4.00%
Master Limited Partnerships	5.00%	6.00%
Hedge Funds	10.00%	3.50%
	<u>100.00%</u>	

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on these 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 investment was applied to all periods of projected benefit payments to determine pension liability.

Sensitivity to Changes in Discount Rate:

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

	Changes in Discount Rate 2019		
	1% Decreased	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability	\$ 6,809,602	\$ 4,454,279	\$ 2,501,923

**9. Deferred Compensation Plan**

Certain employees of the Tangipahoa Parish Clerk of Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The Clerk does not contribute to the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**10. Postemployment Healthcare Benefits**

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

*Benefits provided.* The Clerk provides medical, dental, vision, and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100% of retiree pre-Medicare health, Medicare Supplement, and dental insurance premiums. The benefit terms provide for payment of 50% of coverage for dependents. Vision is voluntary and paid 100% by the retiree. The plan also provides for payment of 100% of retiree life insurance premiums.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements

As of and for the Year Ended June 30, 2019

*Employees covered by benefit terms.* At January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	23
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	<u>54</u>
Total	<u>77</u>

**Total OPEB Liability**

The Clerk's total OPEB liability of \$7,139,907 was measured as of June 30, 2019, and was determined by an actuarial valuations of January 1, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.40%
Salary Increases, including inflation:	3.00%
Discount Rate:	3.13%
Health Care Cost Trend Rates	
Medical:	-4.76% in the first year, then 6.75%, decreasing 0.25% per year to an ultimate rate of 5%.
Medicare Supplement:	Initially 5.5%, decreasing 0.25% per year to an ultimate rate of 3%. Include 2% per year for aging.
Dental:	-0.69% for 2019, 3.25% for 2020, decreasing 0.25% per year to an ultimate rate of 3.0% for 2021 and later years
Vision:	-9.98% for 2019, then 3.0% per year.

**Retirees' Share of Benefit-Related Costs:**

Medical:	0% for retirees and 50% for dependents.
Medicare Supplement:	0% for retirees and 50% for dependents.
Dental:	0% for retirees and 50% for dependents.
Vision:	100% for retirees and 100% for dependents.
Basic Life Insurance:	0%

The discount rate was based on the 6/30/2019 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retired employees were based on the PubGH-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2018 for males and females, as appropriate.

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

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at 6/30/2018	\$ 5,691,962
Changes for the year:	
Service Cost	139,951
Interest	178,918
Differences between expected and actual experience	(68,150)
Changes in Assumptions/Inputs	697,407
Change in Benefit Terms	731,199
Benefit payments	(231,380)
Administrative Expense	-
Net Changes	<u>1,447,945</u>
Balance at 6/30/2019	<u>\$ 7,139,907</u>

*Sensitivity of the total OPEB liability to change 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-percent-point lower (2.31 percent) or 1-percent-point higher (4.31 percent) than the current discount rate:

	<u>1% Decrease (2.31%)</u>	<u>Discount Rate (3.31%)</u>	<u>1% Increase (4.31%)</u>
Total OPEB Liability	\$ 8,315,463	\$ 7,139,907	\$ 6,154,411

*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-percent-higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 6,094,343	\$ 7,139,907	\$ 8,463,723

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

For the year ended June 30, 2019, the Clerk recognized an OPEB expense of \$1,123,124. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,972	\$ 60,577
Changes of assumptions or other inputs	619,918	-
Totals	<u>\$ 641,890</u>	<u>\$ 60,577</u>

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

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:	
2020	\$73,056
2021	73,056
2022	73,056
2023	73,056
2024	73,056
Thereafter	216,030

**11. Deficit and Net Position**

As a result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than pension, net position resulted in a deficit of \$5,386,013. Net Position was significantly affected by the recognition of additional amounts for net pension liability and total OPEB liability.

**12. Accounts, Salaries, and Other Payables**

The accounts, salaries, and other payables of \$28,494 at June 30, 2019, consist of the following:

Accounts payable	\$	28,494
Accrued payroll		-
	<u>\$</u>	<u>28,494</u>

**13. Short-Term Debt**

The Clerk had no short-term debt outstanding at June 30, 2019, and had no short-term debt activity during the year then ended.

**14. Long-term Obligations**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019.

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Total OPEB Liability	\$ 5,691,961	\$ 1,447,946	\$ -	\$ 7,139,907	\$ -
Compensated absences	153,646	7,562	-	161,208	88,512
Net Pension Liability	<u>4,278,416</u>	<u>175,863</u>	<u>-</u>	<u>4,454,279</u>	<u>-</u>
Total	<u>\$10,124,023</u>	<u>\$ 1,631,371</u>	<u>\$ -</u>	<u>\$11,755,394</u>	<u>\$ 88,512</u>

**15. Leases**

The Clerk of Court records items under capital leases, if any, as an asset and an obligation in the accompanying financial statements. The Clerk has no capital leases outstanding at June 30, 2019, and had no capital lease activity during the year then ended.

Tangipahoa Parish Clerk of Court

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2019

The Clerk has no non-cancelable operating leases outstanding at June 30, 2019, and had no operating lease activity during the year then ended

**16. Interfund Transfers**

The Clerk made no interfund transfers during the year ended June 30, 2019.

**17. Risk Management**

The Clerk is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, errors and omissions, injuries, natural disasters, and many other unforeseeable events. The Clerk purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Clerk's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from prior years, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

**18. Restated Fund Balance / Net Position**

A). The General Fund's beginning fund balance has been restated to reflect the retroactive recording of prior period adjustments to the June 30, 2018 balance:

Fund balance at June 30, 2018	\$ 3,702,823
Increase in grants receivable	<u>11,600</u>
Fund Balance at June 30, 2018, as restated	<u>\$ 3,714,423</u>

B. The beginning net position of the Governmental Funds has been restated:

Net Position (deficit) at June 30, 2018	\$ (5,029,333)
Effect of prior period adjustment made to fund balance	<u>11,600</u>
Net Position (deficit) at June 30, 2018, as restated	<u>\$ (5,017,733)</u>

As a result of the above prior period adjustments, the change in Net Position for the year ended June 30, 2018, has been adjusted from \$531,849 to \$543,449, a difference of \$11,600.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

Tangiphoa Parish Clerk of Court  
Amite, Louisiana

Schedule 1

Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Licenses and permits:				
Marriage Licenses	\$ 31,850	\$ 27,300	\$ 27,595	\$ 295
Court Cost, Fees, and Charges:				
Criminal Fees	205,100	252,600	298,027	45,427
Suits & Successions	1,750,000	1,885,000	1,899,916	14,916
Bond Fee	5,000	5,000	5,756	756
Dropped Charges Fees	-	-	-	-
Remote Access Fee	95,000	95,000	99,749	4,749
Court Attendance Fee	12,500	12,500	12,400	(100)
Computer Usage	1,600	-	-	-
Internet Fee	119,000	119,000	118,705	(295)
Fees for Recording Legal Documents:				
Recordings, Cancellations, and Mortgages	2,100,000	2,098,989	2,278,838	179,849
Use of Money and Property:				
Interest	40,000	126,420	132,047	5,627
Miscellaneous Revenues:				
Internet Copies	250,000	250,000	259,386	9,386
Copy Room Charges	25,000	33,800	34,236	436
Abstractor Copies	10,000	10,000	9,860	(140)
Minute Clerk Reimbursement	14,400	14,400	14,400	-
Birth Certificates	157,418	170,338	179,916	9,578
Death Certificates	3,822	4,680	5,018	338
Election Reimbursement	35,000	22,100	22,590	490
Parish Council Reimb-Jury	4,785	4,785	4,468	(317)
Passports	30,100	24,640	23,585	(1,055)
Clerk's Supplemental Compensation	24,600	24,600	24,500	(100)
Election Qualifying Fees	5,000	8,735	8,735	-
Miscellaneous	500	710	110	(600)
Expungement	5,000	7,060	7,440	380
Map Copies	1,400	2,800	3,184	384
Sale of Traffic Data	9,600	41,850	41,850	-
Criminal eSearch	15,000	-	-	-
State Funds:				
LCRAA Marriage License Grant	-	16,588	14,988	(1,600)
Total Revenues	<u>4,951,675</u>	<u>5,258,895</u>	<u>5,527,299</u>	<u>268,404</u>

(Continued)

See auditor's report

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2019

Schedule 1

<u>Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>General Government:</b>				
Clerk's Supplemental Compensation	24,600	24,600	24,600	-
Clerk's Vehicle Expense Allowance	24,300	24,300	24,300	-
Custodian of Voting Machines	2,400	2,400	2,400	-
Election Expense	5,000	1,780	1,807	(27)
Employee Health Insurance	583,445	650,070	602,275	47,795
Payroll Taxes	43,075	43,075	41,957	1,118
Retirement Contributions	720,721	720,721	689,661	31,060
Salary of Election Employees	30,000	20,320	20,314	6
Salary of Deputies	2,482,850	2,482,850	2,476,925	5,925
Salary of Deputies-Overtime	1,000	1,373	1,373	(0)
Salary of Official	122,671	122,671	122,671	-
Salary of Other Employees	16,000	16,000	9,819	6,181
Supplemental Compensation Fund	54,000	54,000	54,000	-
Compensated Absences Pay	-	4,668	-	4,668
Uniforms	10,000	10,000	8,614	1,386
Total General Government	<u>4,120,062</u>	<u>4,178,828</u>	<u>4,080,716</u>	<u>98,112</u>
<b>Operating Services:</b>				
Building Maintenance & Security	2,400	6,350	6,317	33
Clerk's Expense Allowance	14,727	14,727	14,727	-
Remote Access Fees	53,400	53,400	49,874	3,526
Courier Service	18,500	18,500	18,388	112
Dues & Association Fees	3,000	3,000	2,845	155
Insurance Expense	31,500	30,572	30,572	(0)
Janitorial Service	31,000	31,750	31,734	16
Jury Commission	4,785	4,785	4,866	(81)
Appeal Expense	5,000	300	300	-
Legal Fees	10,000	10,000	4,780	5,220
Marriage License-Spouse Abuse	12,968	12,968	13,110	(142)
Miscellaneous	1,000	1,318	835	483
Birth Certificates	89,680	97,263	103,189	(5,926)
Utilities	3,050	3,050	2,782	268
Office Equipment Rental & Maint.	80,000	106,000	115,267	(9,267)
Professional Fees	70,000	76,000	77,531	(1,531)
Qualifying Fees	4,500	8,055	8,054	1
Telephone	16,000	16,000	7,930	8,070
UCC Billings	41,400	35,400	38,811	(3,411)
Disaster Recovery- Documents	300	-	-	-
Total Operating Services	<u>493,210</u>	<u>529,438</u>	<u>531,912</u>	<u>(2,474)</u>

(Continued)

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2019

Schedule 1

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
Materials and Supplies:				
Office Supplies	97,000	97,000	93,401	3,599
Postage	48,100	48,100	51,834	(3,734)
Computer Expense	47,000	58,300	75,539	(17,239)
Bank/Credit Card Charges	10,500	10,500	10,420	80
Total Materials and Supplies	<u>202,600</u>	<u>213,900</u>	<u>231,194</u>	<u>(17,294)</u>
Travel and Education:				
Travel & Conventions	5,000	5,500	5,443	57
Training & Education	1,000	1,273	1,273	-
Total Travel and Education	<u>6,000</u>	<u>6,773</u>	<u>6,716</u>	<u>57</u>
Capital Expenditures:				
Computers	50,000	40,000	30,864	9,136
Equipment	15,000	90,000	85,043	4,957
Furniture	-	-	869	(869)
Total Capital Expenditures	<u>65,000</u>	<u>130,000</u>	<u>116,776</u>	<u>13,224</u>
Total Expenditures	<u>4,886,872</u>	<u>5,058,939</u>	<u>4,967,314</u>	<u>91,625</u>
Excess of Revenues over Expenditures	64,803	199,956	559,985	360,029
Fund Balance, Beginning of Year, restated	<u>3,540,661</u>	<u>3,702,823</u>	<u>3,714,423</u>	<u>11,600</u>
Fund Balance, End of Year	<u>\$ 3,605,464</u>	<u>\$ 3,902,779</u>	<u>\$ 4,274,408</u>	<u>\$ 371,629</u>

(Concluded)

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Schedule 2

Schedule of the Clerk's Proportionate Share of the Net Pension Liability  
Louisiana Clerks of Court Retirement and Relief Fund

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Clerk's proportion of the net pension liability (asset)	2.678%	2.83%	2.628%	2.44%	2.48%
Clerk's proportionate share of the net pension liability (asset)	4,454,279	4,278,416	4,862,809	3,662,870	3,354,998
Clerk's covered-employee payroll	2,272,695	2,591,056	2,647,249	2,496,029	2,308,609
Clerk's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	163.30%	165.12%	183.69%	146.758%	145.32%
Plan fiduciary net position as a percentage of the total pension liability	79.07%	79.69%	74.17%	78.138%	79.34%

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

Data reported is measured as of July 1, 2018, (measurement date).

See auditor's report.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Schedule 3

Schedule of the Clerk's Contributions  
Louisiana Clerks of Court Retirement and Relief Fund

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 501,069	\$ 472,421	\$ 484,719	\$ 455,854	\$ 419,739
Contributions in relation to the contractually required contribution	501,069	472,421	484,719	455,854	419,739
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Clerk's covered-employee payroll	\$ 2,727,695	\$ 2,591,056	\$ 2,647,249	\$ 2,496,029	\$ 2,308,609
Contributions as a percentage of covered-employee payroll	18.37%	18.23%	18.31%	18.26%	18.18%

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

Data reported is measured as of July 1, 2018, (measurement date).

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Schedule 4

Schedule of Changes in the Clerk's  
Total OPEB Liability and Related Ratios

**Total OPEB Liability**

	2019	2018
Service Cost	\$ 139,951	\$ 139,145
Interest	178,918	201,533
Change of benefit term	731,199	-
Differences between expected and actual experiences	(68,150)	28,250
Changes in assumptions or other inputs	697,407	-
Benefit payments	(231,380)	(210,086)
Net Change in Total OPEB Liability	1,447,945	158,842
Total OPEB Liability - beginning	5,691,962	5,533,120
Total OPEB Liability – end	\$ 7,139,907	\$ 5,691,962
Covered Employee payroll	\$ 2,727,695	\$ 2,590,632
Total OPEB Liability as a percentage of covered employee payroll	262%	220%

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

**Notes to schedule**

Changes of Benefit Terms:

Effective January 1, 2019, medical plan contributions were changed to 0 % for retirees with no change for dependents.

Changes of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.62%
2019	3.13%

**Mortality Rates**

2018	RPH-2014 Employee and Healthy Annuity, Generational with MP-2018
2019	PubG.H-2010 Employee and Healthy Annuity, Generational

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 to pay related benefits.

**OTHER SUPPLEMENTAL INFORMATION**

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Schedule 5

Fiduciary Funds - Agency Funds

Schedule of Changes in Unsettled Deposits - Agency Funds  
For the Year Ended June 30, 2019

	Advance Deposit Fund	Registry Of Court Fund	Civil Jury Fund	Total
Unsettled Deposits at Beginning of Year	\$ 1,717,978	\$ 1,282,576	\$ 1,183	\$ 3,001,737
Additions:				
Deposits:				
Suits, successions and judgments	2,910,709	-	12,085	2,922,794
Judgments	-	232,754	-	232,754
Interest	-	8,563	-	8,563
Total Additions	<u>2,910,709</u>	<u>241,317</u>	<u>12,085</u>	<u>3,164,111</u>
Reductions:				
Clerk costs	1,919,529	-	-	1,919,529
Settlements to litigants	518,114	495,893	-	1,014,007
Sheriff's fees	200,289	-	-	200,289
Judicial expense	152,215	-	-	152,215
Juror cost	-	-	12,085	12,085
Other reductions	42,380	-	1,183	43,563
Stenographer's fees	26,352	-	-	26,352
Total Reductions	<u>2,858,879</u>	<u>495,893</u>	<u>13,268</u>	<u>3,368,040</u>
Unsettled Deposits at End of Year	<u>\$ 1,769,808</u>	<u>\$ 1,028,000</u>	<u>\$ -</u>	<u>\$ 2,797,808</u>

See auditor's report.

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

Schedule 6

Schedule of Compensation, Benefits, and other Payments to Clerk of Court  
For the Year Ended June 30, 2019

GARY STANGA, CLERK OF COURT

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 122,671
Clerk's Supplemental Compensation	24,600
Vehicle Expense Allowance	24,300
Clerk's Expense Allowance	14,727
Custodian of Voting Machines	2,400
Benefits - Insurance	2,096
Benefits - Medicare	1,608
Benefits - Retirement (19%)	30,780
Benefits - Retirement (8.25%)	12,312
Registration Fees to Conferences	275
Travel (Hotels & Meals)	469
	<u>\$ 236,238</u>

See auditor's report.

**OTHER INDEPENDENT AUDITOR'S REPORTS AND  
FINDINGS AND RECOMMENDATIONS**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
Megan E. Lynch  
B. Jacob Steib  
Debbie G. Faust, EA  
Ramona K. Huckabee, EA



JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.  
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Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

The Honorable Gary Stanga, Clerk of Court  
Tangipahoa Parish Clerk of Court  
Amite, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Tangipahoa Parish Clerk of Court, a component unit of Tangipahoa Parish Government, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Clerk of Court's basic financial statements, and have issued our report thereon dated December 19, 2019.

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

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

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

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

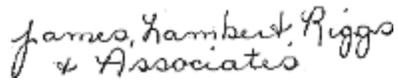
### **Compliance and Other Matters**

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

The Honorable Gary Stanga, Clerk of Court  
Tangipahoa Parish Clerk of Court

**Purpose of this Report**

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

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.

Hammond, Louisiana  
December 19, 2019

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

SCHEDULE OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND RESPONSES  
As of and for the Year Ended June 30, 2019

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Tangipahoa Parish Clerk of Court as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Clerk of Court's basic financial statements, and have issued our report thereon dated December 19, 2019. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control:

Material Weakness	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Significant Deficiencies	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

Compliance:

Compliance Material to the Financial Statements	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
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2. Management Letter

Was a management letter issued?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
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Section II Financial Statement Findings

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

Tangipahoa Parish Clerk of Court  
Amite, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2019

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

**TANGIPAHOA PARISH CLERK OF COURT**

**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**

**FOR THE YEAR ENDED JUNE 30, 2019**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Megan E. Lynch, CPA  
Christie J. Barado  
B. Jacob Steib  
Connor J. Collura  
Sharon B. Bravata  
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Member of  
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Society of Louisiana CPAs

## Independent Accountants' Report on Applying Agreed-Upon Procedures

To Honorable Mr. Gary Stanga  
Tangipahoa Parish Clerk of Court  
Amite, Louisiana and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Tangipahoa Parish Clerk of Court and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Tangipahoa Parish Clerk of Court's management is responsible for those control and compliance areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the Tangipahoa Parish Clerk of Court and the Louisiana Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "A".

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance 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.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of the Tangipahoa Parish Clerk of Court and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*James Lambert Riggs  
& Associates*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

December 19, 2019

**Written Policies and Procedures**

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - k) **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.

**Results:** No exceptions were found as a result of this procedure.

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

2. 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).

**Results:** Management provided us with the required listing of locations that process payments as well as management's representation that the listing is complete.

3. For each location selected under #3 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.

**Results:** No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** No exceptions were found as a result of this procedure.

- 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.

**Results:** No exceptions were found as a result of this procedure.

- 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.

**Results:** No exceptions were found as a result of this procedure.

4. For each location selected under #3 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:

a) Observe that the disbursement matched the related original invoice / billing statement.

**Results:** No exceptions were found as a result of this procedure.

b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #4, as applicable.

**Results:** No exceptions were found as a result of this procedure.