

**LIVINGSTON PARISH CLERK OF COURT**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**LIVINGSTON, LOUISIANA**

## TABLE OF CONTENTS

|                                                                                                                                                                                                                                        |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Independent Auditor's Report                                                                                                                                                                                                           | Page 1 - 3 |
| Required Supplemental Information<br>Management's Discussion and Analysis                                                                                                                                                              | 4 - 11     |
| Government-Wide Financial Statements:                                                                                                                                                                                                  |            |
| Statement of Net Position (Deficit)                                                                                                                                                                                                    | 12         |
| Statement of Activities                                                                                                                                                                                                                | 13         |
| Fund Financial Statements:                                                                                                                                                                                                             |            |
| Balance Sheet - Governmental Fund                                                                                                                                                                                                      | 14         |
| Reconciliation of the Governmental Fund Balance Sheet to the<br>Statement of Net Position (Deficit)                                                                                                                                    | 15         |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balance - Governmental Fund                                                                                                                                                | 16         |
| Reconciliation of the Statement of Revenues, Expenditures,<br>and Changes in Fund Balance of the Governmental Fund to<br>the Statement of Activities                                                                                   | 17         |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balance - Budget (GAAP Basis) and Actual - General Fund                                                                                                                    | 18         |
| Statement of Fiduciary Net Position - Fiduciary Funds                                                                                                                                                                                  | 19         |
| Statement of Changes in Fiduciary Unsettled Deposits - Fiduciary Funds                                                                                                                                                                 | 20         |
| Notes to the Financial Statements                                                                                                                                                                                                      | 21 - 43    |
| Required Supplementary Information:                                                                                                                                                                                                    |            |
| Schedule of Proportionate Share of Net Pension Liability (Schedule 1)                                                                                                                                                                  | 44         |
| Schedule of Contributions (Schedule 2)                                                                                                                                                                                                 | 45         |
| Schedule of Changes in the Clerk's Total OPEB<br>Liability and Related Ratios (Schedule 3)                                                                                                                                             | 46         |
| Notes to Required Supplementary Information                                                                                                                                                                                            | 47         |
| Independent Auditor's Report on Internal Control Over Financial<br>Reporting and on Compliance and Other Matters Based on an Audit<br>of the Financial Statements Performed in Accordance with<br><i>Government Auditing Standards</i> | 48 - 49    |
| Schedule of Findings and Responses                                                                                                                                                                                                     | 50         |
| Summary Schedule of Prior Year Findings                                                                                                                                                                                                | 51         |



2322 Tremont Drive • Baton Rouge, LA 70809  
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726  
650 Poydras Street, Suite 1200 • New Orleans, LA 70130  
Phone: 225.928.4770 • Fax: 225.926.0945  
www.htbcpa.com

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund), the budgetary comparison statement of the General Fund, and each fiduciary fund of the Livingston Parish Clerk of Court “the Clerk” (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 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.

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund (General Fund) and each fiduciary fund of the Livingston Parish Clerk of Court as of June 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited the Livingston Parish Clerk of Court's June 30, 2018 financial statements, and we expressed a modified opinion on those audited financial statements in our report dated December 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, schedule of proportionate share of the net pension liability, the schedule of contributions, and the schedule of changes in the Clerk's total OPEB liability and related ratios on pages 4 through 11 and 44 - 47, 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.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2019, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk'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 Livingston Parish Clerk of Court's internal control over financial reporting and compliance.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
October 17, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **LIVINGSTON PARISH CLERK OF COURT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2019

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

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

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

### **FINANCIAL HIGHLIGHTS**

- The Clerk's total fees, charges, and commissions for services revenues were \$4,938,865 compared to \$5,198,460 in the prior year, an decrease of \$259,595 or 5%.
- Total expenses for the Clerk during the year ending June 30, 2018 were \$5,232,398 compared to \$4,512,519 in the prior year, a increase of \$719,879 or 16%. The increase was attributable to various factors including but not limited to replacing personnel as they left employment and an increase in need for equipment replacement and office expenditures. An intergovernmental transfer to the parish for a commitment to a storage area added greatly to the difference, as well as, increased salaries, wages and employee benefits.
- The Clerk's change in net position was was \$123,826 which may be attributable to a fairly stable market.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

# LIVINGSTON PARISH CLERK OF COURT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

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

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

### A. Government-Wide Financial Statements

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

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

# LIVINGSTON PARISH CLERK OF COURT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

### B. Fund Financial Statements

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

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

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

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

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

**LIVINGSTON PARISH CLERK OF COURT**

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

C. Notes to the Financial Statements

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

**Government-Wide Financial Analysis**

**Statement of Net Position**

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

**Condensed Statement of Net Position (Deficit) - Governmental Activities**

|                                         | Governmental Activities |                |
|-----------------------------------------|-------------------------|----------------|
|                                         | 2019                    | 2018           |
| Cash and Other Current Assets           | \$ 3,141,638            | \$ 2,785,656   |
| Capital Assets, Net                     | 167,346                 | 238,235        |
| Total Assets                            | 3,308,984               | 3,023,891      |
| Deferred Outflows - Related to OPEB     | 161,919                 | -              |
| Deferred Outflows - Related to Pensions | 928,643                 | 725,593        |
| Total Deferred Outflows                 | 1,090,562               | 725,593        |
| Other Liabilities                       | 169,043                 | 126,301        |
| Net OPEB Liability                      | 4,389,580               | 4,106,089      |
| Net Pension Liability                   | 3,407,429               | 3,191,373      |
| Total Liabilities                       | 7,966,052               | 7,423,763      |
| Deferred Inflows - Related to OPEB      | 37,198                  | 39,524         |
| Deferred Inflows - Related to Pensions  | 145,450                 | 159,177        |
| Total Deferred Inflows                  | 182,648                 | 198,701        |
| Net Position:                           |                         |                |
| Net Investment in Capital Assets        | 167,346                 | 238,235        |
| Unrestricted (Deficit)                  | (3,916,500)             | (4,111,215)    |
| Total Net Position (Deficit)            | \$ (3,749,154)          | \$ (3,872,980) |

The Clerk’s change in net position equaled \$123,826. Assets increased by \$285,093 while liabilities increased by \$542,289.

**LIVINGSTON PARISH CLERK OF COURT**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

**Statement of Governmental Activities**

A condensed Statement of Activities for the Livingston Parish Clerk of Court is presented below. It lists the major categories of revenues and expenses for the fiscal years ended June 30, 2019 and 2018.

**Condensed Statement of Activities - Governmental Activities**

|                                               | <u>Total Governmental Activities</u> |                     |
|-----------------------------------------------|--------------------------------------|---------------------|
|                                               | <u>2019</u>                          | <u>2018</u>         |
| Program Revenues:                             |                                      |                     |
| Fees, Charges and Commissions<br>for Services | \$ 4,938,865                         | \$ 5,198,460        |
| Grant Revenue                                 | 9,507                                | -                   |
| Intergovernmental<br>Licenses                 | 345,216                              | 285,581             |
|                                               | <u>23,176</u>                        | <u>23,357</u>       |
| Total Program Revenues                        | 5,316,764                            | 5,507,398           |
| General Revenues:                             |                                      |                     |
| Interest Income                               | 39,460                               | 22,352              |
| Total Revenues                                | <u>5,356,224</u>                     | <u>5,529,750</u>    |
| Program Expenses:                             |                                      |                     |
| Salaries                                      | 2,296,469                            | 2,156,513           |
| Employee Benefits and Payroll Taxes           | 1,948,293                            | 1,671,165           |
| Office Expenditures and Insurance             | 526,963                              | 439,021             |
| Travel and Auto                               | 2,479                                | 3,805               |
| Other Expenditures                            | 167,241                              | 146,904             |
| Intergovernmental Transfer                    | 187,500                              | -                   |
| Depreciation                                  | <u>103,453</u>                       | <u>95,111</u>       |
| Total Program Expenses                        | 5,232,398                            | 4,512,519           |
| Change in Net Position                        | <u>\$ 123,826</u>                    | <u>\$ 1,017,231</u> |

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

**LIVINGSTON PARISH CLERK OF COURT**

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

The Clerk's total revenues decreased approximately \$173,526. This decrease is explained by the simple realization the Clerk's office is dependent on revenue that is generated by goods and services it sells. There is very little the office can do to generate more revenue as it is bound by Louisiana State statutes that define the cost of goods and or services sold. The total cost of all programs and services increased about \$719,879. The combined effect of all activities resulted in an increase in net position of \$123,826 for the year.

**Analysis of Fund Financial Statements**

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

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

**Governmental Funds**

Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the Livingston Parish Clerk of Court. The analysis in this section includes a discussion of components of the Fund Financial Statements but concentrates on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the General Fund reported an Unassigned Fund Balance of \$2,963,958 an increase of \$313,240 from 2018’s balance of \$2,650,718. Total Assets of \$3,141,638 in 2019 increased by \$355,982 from 2018’s balance of \$2,785,656. Capital Assets are presented only in the Government-Wide presentation. The Fund Financial Statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance). Current liabilities included in the Fund Financial Statements consist of Accounts Payable, Accrued Salaries and Wages, Payroll Taxes and Related Employee Benefits, and Due to Primary Government.

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

**LIVINGSTON PARISH CLERK OF COURT**

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

**General Fund Budgetary Highlights**

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

**Capital Assets at Year-End**

|                               | <u>Governmental<br/>Activities</u> |
|-------------------------------|------------------------------------|
| Beginning Balance             | \$ 623,680                         |
| Plus Additions                | 32,564                             |
| Less Deletions                | (12,196)                           |
| Less Accumulated Depreciation | <u>(476,702)</u>                   |
| Ending Balance                | <u>\$ 167,346</u>                  |

For governmental activities, there were no major capital additions during the fiscal year; only PC computer workstations and related hardware were replaced as part of the normal replacement cycle.

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

**Long-Term Debt**

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

# LIVINGSTON PARISH CLERK OF COURT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2019

### **Economic Factors**

The Clerk of Court is dependent upon its services for well over 90% of its revenues; however, the same duties must be performed whether revenue permits the expenses or not. It leaves the Clerk vulnerable to the economics of the parish – mainly the real estate market. Revenue increases or decreases in direct relation to this market; however, expenses remain relatively constant. The fiscal year of 2018-2019 was still feeling the effects from the “The Historic Flood of 2016.” Over 80% of the parish was inundated with record breaking flood waters including homes as well as businesses. The real estate market still has properties that are not refurbished from this event and many vacant properties remain to this day. Since a statewide law passed to increase recording costs on a per page basis in the previous year, there was a significant increase in revenue in the prior year, there are no significant changes in income in the current year.

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

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

### **Requests for Information**

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**LIVINGSTON PARISH CLERK OF COURT**

**STATEMENT OF NET POSITION (DEFICIT)**

AS OF JUNE 30, 2019  
(With Comparative Totals as of June 30, 2018)

|                                                                            | <u>Governmental Activities</u> |                       |
|----------------------------------------------------------------------------|--------------------------------|-----------------------|
|                                                                            | <u>2019</u>                    | <u>2018</u>           |
| <b>ASSETS</b>                                                              |                                |                       |
| Cash and Cash Equivalents                                                  | \$ 3,028,944                   | \$ 2,661,731          |
| Receivables, Net                                                           | 104,057                        | 115,288               |
| Prepaid Insurance                                                          | 8,637                          | 8,637                 |
| Capital Assets (Net of Accumulated Depreciation)                           | 167,346                        | 238,235               |
| Total Assets                                                               | <u>3,308,984</u>               | <u>3,023,891</u>      |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                                       |                                |                       |
| Deferred Outflows - Related to Postemployment Benefits Other Than Pensions | 161,919                        | -                     |
| Deferred Outflows - Related to Pensions                                    | 928,643                        | 725,593               |
| Total Deferred Outflows                                                    | <u>1,090,562</u>               | <u>725,593</u>        |
| <b>LIABILITIES</b>                                                         |                                |                       |
| Accounts Payable                                                           | 145                            | 145                   |
| Payroll Taxes and Related Benefits Payable                                 | 35,720                         | 32,059                |
| Unearned Revenue                                                           | 24,189                         | -                     |
| Accrued Salary and Wages                                                   | 91,798                         | 80,437                |
| Due to Primary Government                                                  | 17,191                         | 13,660                |
| Total Other Postemployment Benefit Liability                               | 4,389,580                      | 4,106,090             |
| Net Pension Liability                                                      | 3,407,429                      | 3,191,373             |
| Total Liabilities                                                          | <u>7,966,052</u>               | <u>7,423,764</u>      |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                        |                                |                       |
| Deferred Inflows - Related to Postemployment Benefits Other Than Pensions  | 37,198                         | 39,523                |
| Deferred Inflows - Related to Pensions                                     | 145,450                        | 159,177               |
| Total Deferred Inflows                                                     | <u>182,648</u>                 | <u>198,700</u>        |
| <b>NET POSITION (DEFICIT)</b>                                              |                                |                       |
| Net Investment in Capital Assets                                           | 167,346                        | 238,235               |
| Unrestricted (Deficit)                                                     | <u>(3,916,500)</u>             | <u>(4,111,215)</u>    |
| Total Net Position (Deficit)                                               | <u>\$ (3,749,154)</u>          | <u>\$ (3,872,980)</u> |

The accompanying notes constitute an integral part of this statement.

# LIVINGSTON PARISH CLERK OF COURT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

|                                                   | Governmental Activities |                       |
|---------------------------------------------------|-------------------------|-----------------------|
|                                                   | 2019                    | 2018                  |
| <b><u>Governmental Activities:</u></b>            |                         |                       |
| Expenses:                                         |                         |                       |
| Judicial:                                         |                         |                       |
| Salaries and Wages                                | \$ 2,296,469            | \$ 2,156,513          |
| Employee Benefits and Payroll Taxes               | 1,948,293               | 1,671,165             |
| Office Expenses                                   | 496,295                 | 407,739               |
| Insurance                                         | 30,668                  | 31,282                |
| Auto/Travel                                       | 2,479                   | 3,805                 |
| Other Expenses                                    | 167,241                 | 146,904               |
| Intergovernmental Transfer                        | 187,500                 | -                     |
| Depreciation                                      | 103,453                 | 95,111                |
| Total Expenses                                    | 5,232,398               | 4,512,519             |
| Program Revenues:                                 |                         |                       |
| Fees, Charges and Commissions for Services:       |                         |                       |
| Recordings                                        | 2,162,079               | 2,326,572             |
| Uniform Commercial Code Fees                      | 91,428                  | 111,642               |
| Cancellations                                     | 219,958                 | 241,272               |
| Mortgage Certificates                             | 14,002                  | 14,771                |
| Court Attendance                                  | 11,180                  | 11,840                |
| Photocopies                                       | 403,413                 | 441,298               |
| Fines and Forfeitures                             | 249,315                 | 259,386               |
| Suits and Successions                             | 1,774,923               | 1,784,889             |
| Other Fees                                        | 12,567                  | 6,790                 |
| Grant Revenue                                     | 9,507                   | -                     |
| Intergovernmental                                 | 345,216                 | 285,581               |
| Licenses                                          | 23,176                  | 23,357                |
| Net Program Revenues (Expenses)                   | 84,366                  | 994,879               |
| General Revenues:                                 |                         |                       |
| Interest Revenue                                  | 39,460                  | 22,352                |
| Total General Revenues                            | 39,460                  | 22,352                |
| Change in Net Position                            | 123,826                 | 1,017,231             |
| <b>Net Position (Deficit) - Beginning of Year</b> | <b>(3,872,980)</b>      | <b>(4,890,211)</b>    |
| <b>Net Position (Deficit) - End of Year</b>       | <b>\$ (3,749,154)</b>   | <b>\$ (3,872,980)</b> |

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

**LIVINGSTON PARISH CLERK OF COURT**

**BALANCE SHEET - GOVERNMENTAL FUND**

AS OF JUNE 30, 2019  
(With Comparative Totals as of June 30, 2018)

|                                            | General Fund        |                     |
|--------------------------------------------|---------------------|---------------------|
|                                            | 2019                | 2018                |
| <b>ASSETS</b>                              |                     |                     |
| Cash and Cash Equivalents                  | \$ 3,028,944        | \$ 2,661,731        |
| Receivables                                | 71,052              | 88,667              |
| Due from Other Funds                       | 3,225               | 2,155               |
| Due from Other Governments                 | 29,780              | 24,466              |
| Prepaid Expenses                           | 8,637               | 8,637               |
| Total Assets                               | <u>\$ 3,141,638</u> | <u>\$ 2,785,656</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                     |                     |
| Liabilities:                               |                     |                     |
| Accounts Payable                           | \$ 145              | \$ 145              |
| Accrued Salary and Wages                   | 91,798              | 80,437              |
| Payroll Taxes and Related Benefits Payable | 35,720              | 32,059              |
| Unearned Revenue                           | 24,189              | -                   |
| Due to Primary Government                  | 17,191              | 13,660              |
| Total Liabilities                          | <u>169,043</u>      | <u>126,301</u>      |
| Fund Balances:                             |                     |                     |
| Nonspendable:                              |                     |                     |
| Prepaid Expenses                           | 8,637               | 8,637               |
| Unassigned                                 | 2,963,958           | 2,650,718           |
| Total Fund Balances                        | <u>2,972,595</u>    | <u>2,659,355</u>    |
| Total Liabilities and Fund Balances        | <u>\$ 3,141,638</u> | <u>\$ 2,785,656</u> |

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CLERK OF COURT**

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

JUNE 30, 2019  
(With Comparative Totals as of June 30, 2018)

|                                                                                                                                              | 2019           | 2018           |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Fund Balances - Total Governmental Fund                                                                                                      | \$ 2,972,595   | \$ 2,659,355   |
| <p>Amounts Reported for Governmental Activities in the<br/>Statement of Net Position are Different Because:</p>                              |                |                |
| <p>Capital Assets Used in Governmental Activities<br/>are not Financial Resources and are not<br/>Reported in the Governmental Funds</p>     |                |                |
| Cost of Capital Assets                                                                                                                       | 644,047        | 623,679        |
| Less: Accumulated Depreciation                                                                                                               | (476,701)      | (385,444)      |
|                                                                                                                                              | 167,346        | 238,235        |
| <p>Long-Term Liabilities are not Due and Payable<br/>in the Current Period and Therefore are not<br/>Reported in the Governmental Funds:</p> |                |                |
| Total Other Postemployment Benefit Liability                                                                                                 | (4,389,580)    | (4,106,090)    |
| Net Pension Liability                                                                                                                        | (3,407,429)    | (3,191,373)    |
| Deferred Outflows of Resources Related to Pensions<br>are not Reported in Governmental Funds                                                 | 928,643        | 725,593        |
| Deferred Outflows of Resources Related to Other<br>Postemployment Benefits are not Reported in<br>Governmental Funds                         | 161,919        | -              |
| Deferred Inflows of Resources Related to Other<br>Postemployment Benefits are not Reported in<br>Governmental Funds                          | (37,198)       | (39,523)       |
| Deferred Inflows of Resources Related to Pensions<br>are not Reported in Governmental Funds                                                  | (145,450)      | (159,177)      |
| Net Position (Deficit) of Governmental Activities                                                                                            | \$ (3,749,154) | \$ (3,872,980) |

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CLERK OF COURT**

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

FOR THE YEAR ENDED JUNE 30, 2019  
 (With Comparative Totals for the Year Ended June 30, 2018)

|                                                      | General Fund |              |
|------------------------------------------------------|--------------|--------------|
|                                                      | 2019         | 2018         |
| <b>Revenues:</b>                                     |              |              |
| Fees, Charges and Commissions for Services:          |              |              |
| Recordings                                           | \$ 2,162,079 | \$ 2,326,572 |
| Uniform Commercial Code Fees                         | 91,428       | 111,642      |
| Cancellations                                        | 219,958      | 241,272      |
| Mortgage Certificates                                | 14,002       | 14,771       |
| Court Attendance                                     | 11,180       | 11,840       |
| Photocopies                                          | 403,413      | 441,298      |
| Fines and Forfeitures                                | 249,315      | 259,386      |
| Suits and Successions                                | 1,774,923    | 1,784,889    |
| Other Fees                                           | 12,567       | 6,790        |
| Grant Revenue                                        | 9,507        | -            |
| Intergovernmental                                    | 120,503      | 59,779       |
| Licenses                                             | 23,176       | 23,357       |
| Interest Revenue                                     | 39,460       | 22,352       |
| Total Revenues                                       | 5,131,511    | 5,303,948    |
| <b>Expenditures:</b>                                 |              |              |
| Judicial:                                            |              |              |
| Salaries and Wages                                   | 2,296,469    | 2,156,513    |
| Employee Benefits and Payroll Taxes                  | 1,605,055    | 1,410,365    |
| Office Expenditures                                  | 496,295      | 407,739      |
| Insurance                                            | 30,668       | 31,282       |
| Auto/Travel                                          | 2,479        | 3,805        |
| Other Expenditures                                   | 167,241      | 146,904      |
| Intergovernmental Transfer                           | 187,500      | -            |
|                                                      | 4,785,707    | 4,156,608    |
| Capital Outlay                                       | 32,564       | 60,329       |
| Total Expenditures                                   | 4,818,271    | 4,216,937    |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 313,240      | 1,087,011    |
| <b>Fund Balance - Beginning of Year</b>              | 2,659,355    | 1,572,344    |
| <b>Fund Balance - End of Year</b>                    | \$ 2,972,595 | \$ 2,659,355 |

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CLERK OF COURT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

|                                                                                                                                                                                                                                                                                                       | 2019       | 2018         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| Net Change in Fund Balance - Total Governmental Fund                                                                                                                                                                                                                                                  | \$ 313,240 | \$ 1,087,011 |
| <p>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</p>                                                                                                                                                                                             |            |              |
| <p>Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities, the Costs of those Assets is Allocated over their Estimated Useful Lives as Depreciation Expense. This is the Amount by Which Depreciation Exceeded Capital Outlays in the Current Period:</p> |            |              |
| Capital Outlay                                                                                                                                                                                                                                                                                        | 32,564     | 60,329       |
| Depreciation Expense                                                                                                                                                                                                                                                                                  | (103,453)  | (95,111)     |
|                                                                                                                                                                                                                                                                                                       | (70,889)   | (34,782)     |
| Add: Accumulated Depreciation on Assets Retired During the Year                                                                                                                                                                                                                                       | 12,196     | -            |
| Less: Cost Basis of Assets Retired During the Year                                                                                                                                                                                                                                                    | (12,196)   | -            |
| <p>Some Expenditures Reported in the Statement of Activities do not Require the use of Current Financial Resources and are not Reported as Expenses in Governmental Funds.</p>                                                                                                                        |            |              |
| (Increase) Decrease in Other Postemployment Benefit Expense                                                                                                                                                                                                                                           | (119,246)  | (113,137)    |
| (Increase) Decrease in Pension Expense                                                                                                                                                                                                                                                                | (223,992)  | (147,663)    |
| Proportionate Share of Non-employer Contributions to the Pension Plans do not Provide Current Financial Resources and, therefore, are not Reported as Revenues in the Governmental Funds                                                                                                              | 224,713    | 225,802      |
| Change in Net Position of Governmental Activities                                                                                                                                                                                                                                                     | \$ 123,826 | \$ 1,017,231 |

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CLERK OF COURT**

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

FOR THE YEAR ENDED JUNE 30, 2019

|                                                      | Original<br>Budget | Final<br>Budget | Actual       | Variance<br>With Final<br>Budget |
|------------------------------------------------------|--------------------|-----------------|--------------|----------------------------------|
| <b>Revenues:</b>                                     |                    |                 |              |                                  |
| Fees, Charges and Commissions for Services:          |                    |                 |              |                                  |
| Recordings                                           | \$ 2,360,000       | \$ 2,138,014    | \$ 2,162,079 | \$ 24,065                        |
| Uniform Commercial Code Fees                         | 112,000            | 90,352          | 91,428       | 1,076                            |
| Cancellations                                        | 110,000            | 215,869         | 219,958      | 4,089                            |
| Mortgage Certificates                                | 14,000             | 13,584          | 14,002       | 418                              |
| Court Attendance                                     | 12,000             | 11,520          | 11,180       | (340)                            |
| Photocopies                                          | 477,000            | 420,459         | 403,413      | (17,046)                         |
| Fines and Forfeitures                                | 266,000            | 232,247         | 249,315      | 17,068                           |
| Suits and Successions                                | 1,750,000          | 1,750,797       | 1,774,923    | 24,126                           |
| Other Fees                                           | 4,900              | 20,048          | 12,567       | (7,481)                          |
| Grant Revenue                                        | -                  | -               | 9,507        | 9,507                            |
| Intergovernmental                                    | 120,400            | 111,963         | 120,503      | 8,540                            |
| Licenses                                             | 23,500             | 22,808          | 23,176       | 368                              |
| Interest Revenue                                     | 22,000             | 37,438          | 39,460       | 2,022                            |
| Total Revenues                                       | 5,271,800          | 5,065,099       | 5,131,511    | 66,412                           |
| <b>Expenditures:</b>                                 |                    |                 |              |                                  |
| Judicial:                                            |                    |                 |              |                                  |
| Salaries and Wages                                   | 2,530,800          | 2,362,171       | 2,296,469    | 65,702                           |
| Employee Benefits and Payroll Taxes                  | 1,553,000          | 1,612,790       | 1,605,055    | 7,735                            |
| Office Expenditures                                  | 514,000            | 505,726         | 496,295      | 9,431                            |
| Insurance                                            | 33,000             | 29,631          | 30,668       | (1,037)                          |
| Auto/Travel                                          | 4,200              | 2,439           | 2,479        | (40)                             |
| Other Expenditures                                   | 193,800            | 161,073         | 167,241      | (6,168)                          |
| Intergovernmental Transfer                           | 150,000            | 190,000         | 187,500      | 2,500                            |
|                                                      | 4,978,800          | 4,863,830       | 4,785,707    | 78,123                           |
| Capital Outlay                                       | 62,000             | 32,563          | 32,564       | (1)                              |
| Total Expenditures                                   | 5,040,800          | 4,896,393       | 4,818,271    | 78,122                           |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 231,000            | 168,706         | 313,240      | 144,534                          |
| <b>Fund Balance - Beginning of Year</b>              | 2,659,355          | 2,659,355       | 2,659,355    | -                                |
| <b>Fund Balance - End of Year</b>                    | \$ 2,890,355       | \$ 2,828,061    | \$ 2,972,595 | \$ 144,534                       |

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CLERK OF COURT**

**STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**

JUNE 30, 2019

(With Comparative Totals for the Year Ended June 30, 2018)

|                                 | <u>Agency Funds</u>                 |                                       | <u>Total Agency Funds</u> |                     |
|---------------------------------|-------------------------------------|---------------------------------------|---------------------------|---------------------|
|                                 | <u>Advance<br/>Deposit<br/>Fund</u> | <u>Registry<br/>of Court<br/>Fund</u> | <u>2019</u>               | <u>2018</u>         |
| <b>ASSETS</b>                   |                                     |                                       |                           |                     |
| Cash                            | \$ 5,138,036                        | \$ 1,390,206                          | \$ 6,528,242              | \$ 6,187,303        |
| Accounts Receivable             | 2,162                               | -                                     | 2,162                     | 2,162               |
| Total Assets                    | <u>\$ 5,140,198</u>                 | <u>\$ 1,390,206</u>                   | <u>\$ 6,530,404</u>       | <u>\$ 6,189,465</u> |
| <b>LIABILITIES</b>              |                                     |                                       |                           |                     |
| Due to General Fund             | \$ 3,107                            | \$ 118                                | \$ 3,225                  | \$ 2,155            |
| Due to Taxing Bodies and Others | <u>5,137,091</u>                    | <u>1,390,088</u>                      | <u>6,527,179</u>          | <u>6,187,310</u>    |
| Total Liabilities               | <u>5,140,198</u>                    | <u>1,390,206</u>                      | <u>6,530,404</u>          | <u>6,189,465</u>    |
| <b>NET POSITION</b>             | <u>\$ -</u>                         | <u>\$ -</u>                           | <u>\$ -</u>               | <u>\$ -</u>         |

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CLERK OF COURT**

STATEMENT OF CHANGES IN FIDUCIARY UNSETTLED DEPOSITS -  
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

|                                                | <u>Agency Funds</u>                 |                                       | <u>Total Agency Funds</u> |                     |
|------------------------------------------------|-------------------------------------|---------------------------------------|---------------------------|---------------------|
|                                                | <u>Advance<br/>Deposit<br/>Fund</u> | <u>Registry<br/>of Court<br/>Fund</u> | <u>2019</u>               | <u>2018</u>         |
| <b>Unsettled Deposits, Beginning of Year</b>   | \$4,730,509                         | \$1,456,801                           | \$ 6,187,310              | \$ 5,696,525        |
| <b>Additions:</b>                              |                                     |                                       |                           |                     |
| Suits and Successions                          | 3,855,389                           | -                                     | 3,855,389                 | 3,787,020           |
| Judgements                                     | -                                   | 435,990                               | 435,990                   | 1,611,623           |
| Interest Earned                                | -                                   | 138                                   | 138                       | 87                  |
| <b>Total Additions</b>                         | <b>3,855,389</b>                    | <b>436,128</b>                        | <b>4,291,517</b>          | <b>5,398,730</b>    |
| <b>Reductions:</b>                             |                                     |                                       |                           |                     |
| Clerk's Costs (Transferred to<br>General Fund) | 1,774,923                           | -                                     | 1,774,923                 | 1,784,889           |
| Settlements to Litigants                       | 262,607                             | 502,841                               | 765,448                   | 1,709,655           |
| Sheriff's Fees                                 | 192,524                             | -                                     | 192,524                   | 195,634             |
| Parish Council Courthouse Fees                 | 825,614                             | -                                     | 825,614                   | 841,028             |
| Other Reductions                               | 393,139                             | -                                     | 393,139                   | 376,739             |
| <b>Total Reductions</b>                        | <b>3,448,807</b>                    | <b>502,841</b>                        | <b>3,951,648</b>          | <b>4,907,945</b>    |
| <b>Unsettled Deposits, End of Year</b>         | <b>\$ 5,137,091</b>                 | <b>\$ 1,390,088</b>                   | <b>\$ 6,527,179</b>       | <b>\$ 6,187,310</b> |

The accompanying notes constitute an integral part of this statement.

# LIVINGSTON PARISH CLERK OF COURT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

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

#### **A. Organization and Nature of Operations**

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

#### **B. Reporting Entity**

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

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

#### **C. Basis of Statement Presentation**

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

#### **D. Fund Accounting**

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

# LIVINGSTON PARISH CLERK OF COURT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

### **General Fund**

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

### **Agency Funds**

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

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

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

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Livingston Parish Clerk of Court.

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

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

The Clerk of Court does not allocate indirect expenses.

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

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

# LIVINGSTON PARISH CLERK OF COURT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

### **Revenues**

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

### **Expenditures**

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

## **F. Budgetary Policy and Accounting**

The proposed budget for the 2019 fiscal year was made available for public inspection at the Clerk's office on June 29, 2018. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal prior to the public hearing. The budget hearing was held at the Clerk's office on June 29, 2018. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end. The final amended budget was approved June 14, 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 all subsequent amendments.

## **G. Encumbrances**

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

## **H. Cash and Cash Equivalents**

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

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

**I. Prepaid Items**

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

**J. Capital Assets and Depreciation**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalization purposes.

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

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

**K. Compensated Absences**

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

**L. Deferred Outflows/Inflows of Resources**

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

# LIVINGSTON PARISH CLERK OF COURT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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

### **M. Pensions**

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

### **N. Other Postemployment Benefits**

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

### **O. Interfund Activities**

The Clerk of Court transfers interest earned on deposits of the Advance Deposit Fund to the General Fund to be utilized by the General Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

### **P. Clerk's Fees Transferred from Advance Deposit Agency Fund**

These fees represents revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants and standard fees charged on suits. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the General Fund.

### **Q. Net Position**

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, and less deferred inflows of resources. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. At June 30, 2019, the Clerk had no outstanding debt.

# LIVINGSTON PARISH CLERK OF COURT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

### **R. Fund Equity**

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

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

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

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

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

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

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

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

### **S. Use of Estimates**

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

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

**T. Summary Financial Information for 2018**

The financial statements include certain prior year summarized information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Note 2 - Cash and Cash Equivalents -**

At June 30, 2019, the carrying amount of the Clerk of Court's Cash and Cash Equivalents totaled \$9,557,186, and the confirmed bank balances totaled \$9,862,458. Cash and Cash Equivalents are stated at cost, which approximates market.

|                                                | <u>Governmental<br/>Funds</u> | <u>Agency<br/>Funds</u> | <u>Total</u> |
|------------------------------------------------|-------------------------------|-------------------------|--------------|
| Deposits in Bank Accounts per<br>Balance Sheet | \$ 3,028,944                  | \$ 6,528,242            | \$ 9,557,186 |
| Bank Balances                                  | \$ 2,995,058                  | \$ 6,867,400            | \$ 9,862,458 |

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

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the Clerk regardless of its designation by the financial institution in which it is deposited. As of June 30, 2019, none of the Clerk's bank balance of \$9,862,458 was exposed to custodial credit risk.

**Note 3 - Investments -**

At June 30, 2019, the Clerk did not have any investments.

**Note 4 - Receivables -**

The receivables at June 30, 2019 are as follows:

|                          |                         |
|--------------------------|-------------------------|
|                          | <u>General<br/>Fund</u> |
| Accounts                 | \$ 71,052               |
| Intergovernmental        | 29,780                  |
| Due from Fiduciary Funds | <u>3,225</u>            |
|                          | <u>\$ 104,057</u>       |

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

**Note 5 - Changes in General Fixed Assets -**

A summary of changes in general fixed assets follows:

|                                                      | Balance<br>July 1, 2018 | Additions   | Deletions | Balance<br>June 30, 2019 |
|------------------------------------------------------|-------------------------|-------------|-----------|--------------------------|
| <u>Governmental Activities:</u>                      |                         |             |           |                          |
| Capital Assets being Depreciated:                    |                         |             |           |                          |
| Building Additions                                   | \$ 30,013               | \$ -        | \$ -      | \$ 30,013                |
| Vehicles                                             | 19,851                  | -           | -         | 19,851                   |
| Furniture and Fixtures                               | 30,769                  | -           | -         | 30,769                   |
| Equipment                                            | 543,046                 | 32,564      | (12,196)  | 563,414                  |
| Totals                                               | 623,679                 | 32,564      | (12,196)  | 644,047                  |
| Less: Accumulated Depreciation for:                  |                         |             |           |                          |
| Building Additions                                   | 7,003                   | 2,001       | -         | 9,004                    |
| Vehicles                                             | 2,978                   | 3,970       | -         | 6,948                    |
| Furniture and Fixtures                               | 13,652                  | 4,618       | -         | 18,270                   |
| Equipment                                            | 361,811                 | 92,864      | (12,196)  | 442,479                  |
| Total Accumulated<br>Depreciation                    | 385,444                 | 103,453     | (12,196)  | 476,701                  |
| Total Capital Assets being<br>Depreciated, Net       | 238,235                 | (70,889)    | -         | 167,346                  |
| Total Governmental Activities<br>Capital Assets, Net | \$ 238,235              | \$ (70,889) | \$ -      | \$ 167,346               |

Depreciation expense of \$103,453 was charged to the Judicial Operations function in the Statement of Activities.

**Note 6 - Changes in General Long-Term Debt -**

The Clerk has no general long-term obligations at June 30, 2019.

# LIVINGSTON PARISH CLERK OF COURT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

### **Note 7 - Pension Plans -**

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

#### ***Plan Description:***

Substantially all employees of the Livingston Parish Clerk of Court are members of the Louisiana Clerk of Court Retirement and Relief Fund (“the Fund”), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees.

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

#### ***Benefits Provided:***

##### **Retirement Benefits**

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

## LIVINGSTON PARISH CLERK OF COURT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011. A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

#### **Disability Benefits**

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

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

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

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

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

## LIVINGSTON PARISH CLERK OF COURT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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

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

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

#### **Survivor Benefits**

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

#### **Deferred Retirement Option Plan**

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

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

## LIVINGSTON PARISH CLERK OF COURT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

#### **Cost of Living Adjustments**

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

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

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

#### ***Contributions:***

According to state statute, contribution requirements for all employers are actuarially determined each year. The Clerk of Court's required contribution rate for the year ending June 30, 2019 was 19.00%. Employees were required to contribute 8.25% of their annual covered salary. In addition, the Louisiana Legislature passed R.S. 11:1562(C) which allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee required contributions which would otherwise be deducted from the employee's salary. Since December 1999, the Clerk has elected to pay 100% of all retirement system contributions to the Louisiana Clerk of Court Retirement and Relief Fund. The Livingston Parish Clerk of Court's contributions to the Fund for the year ended June 30, 2019 were \$517,440 (normal employer portion \$375,120 and employee portion paid by Clerk \$142,320).

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$224,713 for the year ended June 30, 2019.

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

At June 30, 2019, the Livingston Parish Clerk of Court reported a liability of \$3,407,429 for its proportionate share of the net pension liability of the Fund. 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 plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Clerk’s proportion was 2.0486% which was a decrease of .0608% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$885,409.

At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                               | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                                            | \$ 90,430                         | \$ 33,661                        |
| Changes in assumptions                                                                                        | 354,021                           | -                                |
| Net difference between projected and actual earnings on pension plan investments                              | 65,042                            | -                                |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 44,030                            | 111,789                          |
| Employer contributions subsequent to the measurement date                                                     | 375,120                           | -                                |
| Total                                                                                                         | \$ 928,643                        | \$ 145,450                       |

\$375,120 reported as deferred outflows of resources related to pensions resulting from the Court’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

| <u>Year Ended June 30:</u> |            |
|----------------------------|------------|
| 2020                       | \$ 221,638 |
| 2021                       | 144,558    |
| 2022                       | (26,684)   |
| 2023                       | 68,561     |
|                            | <hr/>      |
|                            | \$ 408,073 |
|                            | <hr/>      |

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 is as follows:

|                           |                                   |
|---------------------------|-----------------------------------|
| Inflation                 | 2.50%                             |
| Salary increases          | 5.00% including inflation         |
| Investment rate of return | 6.75% (net of investment expense) |

Mortality rates were based on RP-2000 Employee Table (set back 4 years for males and 3 years for females), RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females, and RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females).

For cost of living adjustments, the present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 7.10% as of June 30, 2018. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2018 are summarized in the following table:

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

| <b>Asset Class</b>             | <b>Target<br/>Asset<br/>Allocation</b> | <b>Long-Term<br/>Expected Real Rate<br/>of Return</b> |
|--------------------------------|----------------------------------------|-------------------------------------------------------|
| Fixed Income:                  |                                        |                                                       |
| Core Fixed Income              | 5.0%                                   | 1.75%                                                 |
| Core Plus Fixed Income         | 15.0%                                  | 2.00%                                                 |
| Domestic Equity:               |                                        |                                                       |
| Large Cap Domestic Equity      | 21.0%                                  | 4.50%                                                 |
| Small Cap International Equity | 7.0%                                   | 4.75%                                                 |
| International Equity:          |                                        |                                                       |
| Large Cap International Equity | 14.0%                                  | 4.75%                                                 |
| Small Cap International Equity | 6.5%                                   | 4.50%                                                 |
| Emerging Markets               | 6.5%                                   | 6.25%                                                 |
| Real Estate                    | 10.0%                                  | 4.00%                                                 |
| Master Limited Partnerships    | 5.0%                                   | 6.00%                                                 |
| Hedge Funds                    | 10.0%                                  | 3.50%                                                 |
| Total                          | 100.0%                                 |                                                       |

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75% which was a .25% decrease from its prior measurement date of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund’s actuary. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Clerk’s proportionate share of the net pension liability calculated using the current discount rate, as well as what the Clerk’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate as of June 30, 2018.

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

|                       | Changes in Discount Rate |              |              |
|-----------------------|--------------------------|--------------|--------------|
|                       |                          | Current      |              |
|                       | 1% Decrease              | Discount     | 1% Increase  |
|                       | 5.75%                    | 6.75%        | 7.75%        |
| Net pension liability | \$ 5,209,201             | \$ 3,407,429 | \$ 1,913,918 |

***Pension Plan Fiduciary Net Position***

The Fund issued a stand-alone audit report on its financial statements for the year ended June 30, 2018. Access to the audit report can be found on the Fund’s website: [www.laclerksofcourt.org](http://www.laclerksofcourt.org) or on the Office of Louisiana Legislative Auditor’s official website: [www.lla.state.la.us](http://www.lla.state.la.us).

***Payable to the Pension Plan***

There is no payable to the Plan at June 30, 2019.

**Note 8 - Other Postemployment Benefits -**

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

**General Information about the OPEB Plan**

***Plan Description*** - The Clerk provides certain continuing health care and life insurance benefits for its retired employees. The Clerk’s other postemployment benefit (OPEB) plan is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

***Benefits Provided*** - Medical benefits are provided through a comprehensive single employer medical plan and are made available to employees upon actual retirement whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 25 years of service; or, attainment of age 60 and 12 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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

***Employees Covered by Benefit Terms*** - At June 30, 2019, the following employees were covered by the benefit terms:

|                                                                          |           |
|--------------------------------------------------------------------------|-----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 19        |
| Inactive employees entitled to but not yet receiving benefit payments    | -         |
| Active employees                                                         | <u>42</u> |
|                                                                          | <u>61</u> |

**Total OPEB Liability**

The Clerk’s total OPEB liability of \$4,389,580 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

***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                   | 2.5%                                                           |
| Salary increases            | 3.0%, including inflation                                      |
| Discount rate               | 3.5%, net of OPEB plan investment expense, including inflation |
| Healthcare cost trend rates | Flat 5.5% annually                                             |

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

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

**Changes in the Total OPEB Liability**

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

|                                                    |              |
|----------------------------------------------------|--------------|
| Total OPEB Liability - Beginning                   | \$ 4,106,090 |
| Changes for the year:                              |              |
| Service Cost                                       | 121,435      |
| Interest                                           | 145,838      |
| Differences Between Expected and Actual Experience | 172,039      |
| Benefit Payments and Net Transfers                 | (155,822)    |
| Net Changes to Total OPEB Liability                | 283,490      |
| Total OPEB Liability - Ending                      | \$ 4,389,580 |

**Benefit Changes** – There were no changes of benefit terms for the year ended June 30, 2019.

**Changes of Assumptions** – There were no changes of assumptions for the year ended June 30, 2019.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the total OPEB liability of the Clerk, as well a what the Clerk’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | Changes in Discount Rate |               |              |
|----------------------|--------------------------|---------------|--------------|
|                      | 1% Decrease              | Discount Rate | 1% Increase  |
|                      | 2.5%                     | 3.5%          | 4.5%         |
| Total OPEB Liability | \$ 5,172,573             | \$ 4,389,580  | \$ 3,772,120 |

**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 a what the Clerk’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | Changes in Healthcare Cost Trend Rates |               |              |
|----------------------|----------------------------------------|---------------|--------------|
|                      | 1% Decrease                            | Discount Rate | 1% Increase  |
|                      | 4.5%                                   | 5.5%          | 6.5%         |
| Total OPEB Liability | \$ 3,809,617                           | \$ 4,389,580  | \$ 5,122,686 |

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

**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 OPEB expense of \$275,068. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                       | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences Between Expected and<br>Actual Experience | \$ 161,919                           | \$ 37,198                           |
| Total                                                 | \$ 161,919                           | \$ 37,198                           |

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

| Year Ended June 30: | Outflows   | Inflows   |
|---------------------|------------|-----------|
| 2020                | \$ 10,120  | \$ 2,325  |
| 2021                | 10,120     | 2,325     |
| 2022                | 10,120     | 2,325     |
| 2023                | 10,120     | 2,325     |
| 2024                | 10,120     | 2,325     |
| 2025 and later      | 111,319    | 25,573    |
|                     | \$ 161,919 | \$ 37,198 |

**Note 9 - Unearned Revenue -**

The Clerk of Court receives payment of e-search subscription revenues from the subscribers in advance of the service period to be provided. The Clerk recognizes e-search subscription revenue as revenue on a pro-rata basis over the period of service provided to the subscribers. At June 30, 2019, the Clerk had unearned revenues of \$24,189 which represents the fees collected in advance of the services to be provided.

**Note 10 - Compensated Absences -**

Employees are not paid for accumulated leave upon termination.

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

**Note 11 - Leases -**

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 2019, the Clerk of Court had no capital leases in effect.

The Clerk of Court has entered into various operating leases for machinery, office space and warehouse on various dates. The lease terms range from one year to sixty months. These leases require a total monthly payment of \$3,972. Total rent expense under these leases for the year ended June 30, 2019 is \$48,871.

Future minimum lease payments under these leases by year and in the aggregate are as follows:

| <u>Year Ending<br/>June 30, 2019</u> | <u>Amounts</u>          |
|--------------------------------------|-------------------------|
| 2020                                 | \$ 13,385               |
| 2021                                 | <u>          -</u>      |
| Total Minimum Lease Payments         | <u><u>\$ 13,385</u></u> |

**Note 12 - Changes in Fiduciary Fund Balances -**

A summary of changes in agency fund unsettled deposits follows:

|                        | <u>Balance<br/>July 1, 2018</u> | <u>Additions</u>           | <u>Deletions</u>           | <u>Balance<br/>June 30, 2019</u> |
|------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
| Advance Deposit Fund   | \$ 4,730,509                    | \$ 3,855,389               | \$ 3,448,807               | \$ 5,137,091                     |
| Registry of Court Fund | 1,456,801                       | 436,128                    | 502,841                    | 1,390,088                        |
|                        | <u><u>\$ 6,187,310</u></u>      | <u><u>\$ 4,291,517</u></u> | <u><u>\$ 3,951,648</u></u> | <u><u>\$ 6,527,179</u></u>       |

**Note 13 - Litigation and Claims -**

At June 30, 2019, the Clerk of Court is involved in general lawsuits, it is the opinion of the legal advisor for the Clerk of Court that the ultimate resolution of these lawsuits will not involve any material liability to the Clerk of Court in excess of insurance coverage.

**Note 14 - Cooperative Endeavor Agreements -**

On October 12, 2017, the Livingston Parish Clerk of Court entered into a cooperative endeavor agreement with the Parish of Livingston and two other local governments for the purpose of providing additional funding for the construction of an office building for the Assessor of Livingston

## LIVINGSTON PARISH CLERK OF COURT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

Parish (“Assessor”) and storage space for the Clerk and the two other local governments. Under the amended terms of the agreement, the Clerk agreed to pay 42.00% of the estimated costs for storage area of the building, and \$505,000 of estimated storage area construction costs and the cost of the parking lot to be paid from the Livingston Parish Courthouse Fund. As of June 30, 2019, the amount transferred to the Livingston Parish Council totaled \$187,500 and is recorded as an inter-governmental transfer in these financial statements.

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

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

On September 1, 2011, the Livingston Parish Clerk of Court entered into a cooperative endeavor agreement with the Livingston Parish Council and the Twenty-First Judicial District Court for the purpose of providing for the funding pursuant to Act No. 20 of the 2011 Regular Session of the Louisiana Legislature (the “Courthouse Financing Act”). According to the Courthouse Financing Act, the Livingston Parish Clerk of Court began collecting an additional \$20 recordation fee per document, an additional \$100 filing fee on each civil suit, and an additional \$10 charge for each additional pleading on a civil matter. These additional fees collected by the Clerk are paid into the Livingston Parish Courthouse Fund maintained by the Livingston Parish Council for the purpose of repaying the Livingston Parish Council Revenue Bond Series 2011 which were issued by the Livingston Parish Council to finance the construction of the new Livingston Parish Courthouse. The Clerk collected and transferred \$825,614 to the Livingston Parish Council of the additional filing fee and the additional pleading fee from the Advanced Deposit Fund during fiscal year ended June 30, 2019. In addition, the Clerk collected and transferred \$419,571 to the Livingston Parish Council of the \$20 additional recordation fee collected in fiscal year ended June 30, 2019 from the Clerk’s General Fund with an additional \$17,191 recorded as Due to Primary Government at June 30, 2019.

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

**Note 15 - Schedule of Compensation, Benefits, and Other Payments to Agency Head -**

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by Thomas L. Sullivan Jr., who was the acting agency head from 7/1/2018 – 12/31/2018 and Jason Harris., Clerk of Court, who was the acting agency head from 1/1/2019 – 6/30/2019:

| <u>Purpose</u>                                     | <u>Thomas Sullivan Jr<br/>7/1/2018 -<br/>12/31/2018</u> | <u>Jason Harris<br/>1/1/2019 -<br/>6/30/2019</u> |
|----------------------------------------------------|---------------------------------------------------------|--------------------------------------------------|
| Salary                                             | \$ 82,199                                               | \$ 82,200                                        |
| Benefits-Insurance                                 | 2,611                                                   | 7,927                                            |
| Benefits-Retirement                                | 28,065                                                  | 26,685                                           |
| Benefits-Short Term Disability and Accident Policy | 288                                                     | 279                                              |
| Car allowance                                      | 11,976                                                  | 11,977                                           |
| Registration fees                                  | 450                                                     | 1,050                                            |
| Conference travel                                  | -                                                       | 1,457                                            |
| Special meals                                      | -                                                       | 13                                               |

**Note 16 - Subsequent Event -**

Management has evaluated subsequent events through October 17, 2019, the date which the financial statements were available to be issued.

**Note 17 - Current Accounting Pronouncements -**

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement

## LIVINGSTON PARISH CLERK OF COURT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

Management is currently evaluating the effects of each of the new GASB pronouncements.

REQUIRED SUPPLEMENTARY INFORMATION

## LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2019\*

| <u>Fiscal Year</u>                                            | <u>Employer's<br/>Proportion of<br/>the Net Pension<br/>Liability</u> | <u>Employer's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability</u> | <u>Employer's<br/>Covered<br/>Payroll</u> | <u>Employer's<br/>Proportionate Share<br/>of the Net Pension<br/>Liability as a<br/>Percentage of its<br/>Covered Payroll</u> | <u>Plan Fiduciary Net<br/>Position as a<br/>Percentage of the<br/>Total Pension<br/>Liability</u> |
|---------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <b>Louisiana Clerks' of Court Retirement and Relief Fund:</b> |                                                                       |                                                                                |                                           |                                                                                                                               |                                                                                                   |
| 2015                                                          | 2.16573%                                                              | \$ 2,921,264                                                                   | \$ 1,955,235                              | 149.41%                                                                                                                       | 79.37%                                                                                            |
| 2016                                                          | 2.09347%                                                              | 3,140,271                                                                      | 1,893,963                                 | 165.80%                                                                                                                       | 78.13%                                                                                            |
| 2017                                                          | 2.05950%                                                              | 3,810,021                                                                      | 1,879,795                                 | 202.68%                                                                                                                       | 74.17%                                                                                            |
| 2018                                                          | 2.10940%                                                              | 3,191,373                                                                      | 1,904,573                                 | 167.56%                                                                                                                       | 79.69%                                                                                            |
| 2019                                                          | 2.04860%                                                              | 3,407,729                                                                      | 1,902,066                                 | 179.16%                                                                                                                       | 79.07%                                                                                            |

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

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

## LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2019

| <u>Fiscal Year</u>                                            | <u>Contractually<br/>Required<br/>Contributions</u> | <u>Contributions in<br/>Relation to<br/>Contractually<br/>Required<br/>Contributions</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Payroll</u> | <u>Contributions as<br/>a % of Covered<br/>Payroll</u> |
|---------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|--------------------------------------------------------|
| <b>Louisiana Clerks' of Court Retirement and Relief Fund:</b> |                                                     |                                                                                          |                                                 |                                           |                                                        |
| 2015                                                          | \$ 359,855                                          | \$ 359,855                                                                               | \$ -                                            | \$ 1,893,963                              | 19.00%                                                 |
| 2016                                                          | 357,161                                             | 357,161                                                                                  | -                                               | 1,879,795                                 | 19.00%                                                 |
| 2017                                                          | 361,869                                             | 361,869                                                                                  | -                                               | 1,904,573                                 | 19.00%                                                 |
| 2018                                                          | 361,566                                             | 361,566                                                                                  | -                                               | 1,902,979                                 | 19.00%                                                 |
| 2019                                                          | 375,120                                             | 375,120                                                                                  | -                                               | 1,974,321                                 | 19.00%                                                 |

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

See independent auditor's report.

## LIVINGSTON PARISH CLERK OF COURT

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

FOR THE YEAR ENDED JUNE 30, 2019

| <u>Total OPEB Liability</u>                                             | <u>2019</u>                | <u>2018</u>                |
|-------------------------------------------------------------------------|----------------------------|----------------------------|
| Service Cost                                                            | \$ 121,435                 | \$ 117,898                 |
| Interest                                                                | 145,838                    | 145,263                    |
| Changes in Benefit Terms                                                | -                          | -                          |
| Differences Between Expected and Actual Experience                      | 172,039                    | (41,848)                   |
| Changes in Assumptions or Other Inputs                                  | -                          | -                          |
| Benefit Payments                                                        | <u>(155,822)</u>           | <u>(147,699)</u>           |
| Net Change in Total OPEB Liability                                      | 283,490                    | 73,614                     |
| Total OPEB Liability - Beginning                                        | <u>4,106,090</u>           | <u>4,032,476</u>           |
| Total OPEB Liability - Ending                                           | <u><u>\$ 4,389,580</u></u> | <u><u>\$ 4,106,090</u></u> |
| <br>Covered-Employee Payroll                                            | <br>\$ 1,529,831           | <br>\$ 1,485,273           |
| <br>Total OPEB Liability as a Percentage of<br>Covered Employee Payroll | <br>286.93%                | <br>276.45%                |

**Notes to Schedule**

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

*Benefit Changes* - There were no changes of benefit terms for the year ended June 30, 2019.

*Changes of Assumptions* - There were no changes of assumptions for the year ended June 30, 2019.

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

See independent auditor's report.

**LIVINGSTON PARISH CLERK OF COURT**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

**Louisiana Clerks’ of Court Retirement and Relief Fund:**

***Changes in Actuarial Assumptions***

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

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

Other changes are as follows:

| <u>Valuation Date</u>                                      | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u>                                                                                     | <u>June 30, 2014</u>                                                                                     |
|------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Investment Rate of Return                                  | 6.75%                | 7.00%                | 7.00%                | 7.00%                                                                                                    | 7.25%                                                                                                    |
| Inflation Rate                                             | No change            | No change            | No change            | 2.50%                                                                                                    | 2.75%                                                                                                    |
| Projected Salary Increase                                  | No Change            | No Change            | No Change            | 5.00%                                                                                                    | 5.75%                                                                                                    |
| Mortality Rate - Active Members                            | No Change            | No Change            | No Change            | RP 2000 employee table set back 4 years for males and 3 years for females                                | RP 2000 employee table set back 4 years for males and 3 years for females                                |
| Mortality Rate - Annuitant and Beneficiary                 | No Change            | No Change            | No Change            | RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 for males and females | RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 for males and females |
| Mortality Rate - Active Members, Annuitant and Beneficiary | --                   | --                   | --                   | --                                                                                                       | RP 2000 combined healthy mortality table set back 3 year for males and 1 year for                        |

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



2322 Tremont Drive • Baton Rouge, LA 70809  
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726  
650 Poydras Street, Suite 1200 • New Orleans, LA 70130  
Phone: 225.928.4770 • Fax: 225.926.0945  
www.htbcpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund (the General Fund), the budgetary comparison statement of the General Fund, and each fiduciary fund, of the Livingston Parish Clerk of Court “the Clerk” (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk’s basic financial statements, and have issued our report thereon dated October 17, 2019.

**Internal Control Over Financial Reporting**

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

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

Honorable Jason B. Harris  
Livingston Parish Clerk of Court

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 is required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
October 17, 2019

**LIVINGSTON PARISH CLERK OF COURT**

**SCHEDULE OF FINDINGS AND RESPONSES**

FOR THE YEAR ENDED JUNE 30, 2019

**CURRENT YEAR FINDINGS:**

**Internal Control Finding**

None

**Compliance Finding**

None

**LIVINGSTON PARISH CLERK OF COURT**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

FOR THE YEAR ENDED JUNE 30, 2019

**PRIOR YEAR FINDINGS:**

None

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

**JUNE 30, 2019**

**LIVINGSTON, LOUISIANA**

2322 Tremont Drive • Baton Rouge, LA 70809  
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726  
650 Poydras Street, Suite 1200 • New Orleans, LA 70130  
Phone: 225.928.4770 • Fax: 225.926.0945  
www.htbcpa.com

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Livingston Parish Clerk of Court (the Clerk) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Clerk's management is responsible for those C/C areas identified in the SAUPs.

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*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. 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.

The procedures and associated findings are as follows:

**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):
  - a) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Exception** – The Clerk does not have written policies and procedures related to items (1) through (6). Although the Clerk does not have formal written policies and procedures related to the above items, they do have informal procedures in place.

## ***Bank Reconciliations.***

---

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

**Exception** – Two of the five bank reconciliations selected for testing included reconciling items that have been outstanding for more than 12 months from the statement closing date and did not include formal documentation indicating that the items had been researched.

### **Management's Response/Corrective Action to Exceptions**

The Clerk's response to the exception identified in our performance of the SAUPs is attached. The Clerk's response was not subjected to any procedures applied in the SAUPs and, accordingly, we express no opinion or any assurance on it.

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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Respectfully submitted,  
*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
October 17, 2019

# Livingston Parish Clerk of Court



JASON B. HARRIS  
Clerk of Court

P.O. BOX 1150  
Livingston, Louisiana 70754  
225.686.2216

October 7, 2019

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

Re: Exceptions to Annual Audit

Dear Mr. Sanders

Below are the responses to the two exceptions to the annual audit for Livingston Parish Clerk of Court for the fiscal year of 2018-2019.

1. Disaster Recovery/Business Continuity Written Policies & Procedures  
The Clerk's office is in the process of developing written policies and procedures that address disaster recovery/business continuity.
2. Bank Reconciliations  
During the year, the Clerk's office implemented a procedure to research and document old outstanding items on bank reconciliations, and the process was initiated. However, due to a turnover in staff, the process was not fully completed. We are working to complete this process.

Sincerely,

Ann Wimberly

Ann Wimberly  
Chief Administrative Deputy Clerk