

LIVINGSTON PARISH CLERK OF COURT

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

JUNE 30, 2018

LIVINGSTON, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Thomas L. Sullivan, Jr.
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, 2018, 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 Thomas L. Sullivan, Jr.
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, 2018, 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.

Change in Accounting Principle

As described in Note 15 to the financial statements, in 2018, the Livingston Parish Clerk of Court adopted new accounting guidance, GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

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 43 - 46, 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 Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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
December 5, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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

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

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

FINANCIAL HIGHLIGHTS

- The Clerk's total fees, charges, and commissions for services revenues were \$5,198,460 compared to \$4,250,948 in the prior year, an increase of \$947,512 or 22%.
- Total expenses for the Clerk during the year ending June 30, 2018 were \$4,512,519 compared to \$4,438,515 in the prior year, a increase of \$74,004 or almost 2%. 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.
- The Clerk's change in net position was \$1,017,231 which was an increase of \$876,486 over the prior year. This increase was mainly due to the implementation of new fees reflected in accordance with LA R.S.13:844, Act No. 173 of the 2017 Regular Legislative Session.

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, 2018

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, 2018

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, 2018

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

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017, As Restated</u>
Cash and Other Current Assets	\$ 2,785,656	\$ 1,682,673
Capital Assets, Net	238,235	273,017
Total Assets	<u>3,023,891</u>	<u>1,955,690</u>
Deferred Outflows - Related to Pensions	725,593	1,344,760
Other Liabilities	126,301	110,329
Net OPEB Liability	4,106,089	4,032,476
Net Pension Liability	3,191,373	3,810,021
Total Liabilities	<u>7,423,763</u>	<u>7,952,826</u>
Deferred Inflows - Related to OPEB	39,524	-
Deferred Inflows - Related to Pensions	159,177	237,835
Total Deferred Inflows	<u>198,701</u>	<u>237,835</u>
Net Position:		
Net Investment in Capital Assets	238,235	273,017
Unrestricted (Deficit)	<u>(4,111,215)</u>	<u>(5,163,228)</u>
Total Net Position (Deficit)	<u>\$ (3,872,980)</u>	<u>\$ (4,890,211)</u>

The clerk's net position deficit decreased by \$1,017,231. Assets increased by \$1,068,201 while liabilities decreased \$529,063. The majority of which is primarily attributed to the \$1,102,983 increase in cash related to fee increase for recorded documents due to the implementation of new fees reflected in accordance with LA R.S.13:844, Act No. 173 of the 2017 Regular Legislative Session.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

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, 2018 and 2017.

Condensed Statement of Activities - Governmental Activities

	Total Governmental Activities	
	2018	2017
Program Revenues:		
Fees, Charges and Commissions for Services	\$ 5,198,460	\$ 4,250,948
Intergovernmental	285,581	289,668
Licenses	23,357	22,230
Total Program Revenues	5,507,398	4,562,846
General Revenues:		
Interest Income	22,352	21,448
Net Loss on Disposition of Assets	-	(5,034)
Total Revenues	5,529,750	4,579,260
Program Expenses:		
Salaries	2,156,513	2,041,151
Employee Benefits and Payroll Taxes	1,671,165	1,768,494
Office Expenditures and Insurance	439,021	410,312
Travel and Auto	3,805	1,341
Other Expenditures	146,904	131,073
Depreciation	95,111	86,144
Total Program Expenses	4,512,519	4,438,515
Change in Net Position	\$ 1,017,231	\$ 140,745

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, 2018

The Clerk's total revenues increased by over twenty percent --- approximately \$945,000. The increase mainly attributable to revenues from fees, charges and commissions from services increasing by just over \$947,000 due to fee increase for recorded documents in order to be more uniform across the state with pricing as required by aforementioned new legislation enacted in the 2017 Regular Legislative Session. The total cost of all programs and services increased approximately \$74,000. The combined effect of all activities resulted in an increase in net position of \$876,486 for the year as compared to prior 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 \$2,650,718 an increase of \$1,087,011 from 2017’s balance of \$1,563,707. Cash and Cash Equivalents and Receivables totaling \$2,750,398 in 2018 increased by \$1,114,684 from 2017’s balance of \$1,635,714. 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, 2018

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 greater than final budgeted revenues by slightly less than two percent; and actual expenditures were less than final budgeted expenditures by approximately six percent.

Capital Assets at Year-End

	<u>Governmental Activities</u>
Beginning Balance	\$ 563,350
Plus Additions	60,329
Less Deletions	-
Less Accumulated Depreciation	<u>(385,444)</u>
Ending Balance	<u>\$ 238,235</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, 2018

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 2017-2018 is still in recovery 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 appears to have rebounded to some degree however, property values still remain in question as not all have rebuilt and/or returned to the area. Many vacant properties remain to this day. As reported last year, due to “The Great Flood of 2016,” records will not accurately reflect a true picture of the past, much less any vision to the future of revenue and expenses to be expected in the coming year. The statewide law that was passed to increase recording costs on a per page basis accounts for the vast majority of the clerk’s increase in income for this 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 Thomas L. Sullivan, Jr., 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, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,661,731
Receivables, Net	115,288
Prepaid Insurance	8,637
Capital Assets (Net of Accumulated Depreciation)	<u>238,235</u>
Total Assets	<u>3,023,891</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred Outflows - Related to Pensions	<u>725,593</u>
LIABILITIES	
Accounts Payable	145
Payroll Taxes and Related Benefits Payable	32,059
Accrued Salary and Wages	80,437
Due to Primary Government	13,660
Total Other Postemployment Benefit Liability	4,106,090
Net Pension Liability	<u>3,191,373</u>
Total Liabilities	<u>7,423,764</u>
DEFERRED INFLOW OF RESOURCES	
Deferred Inflows - Related to Postemployment Benefits Other Than Pensions	39,523
Deferred Inflows - Related to Pensions	<u>159,177</u>
Total Deferred Inflows	<u>198,700</u>
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	238,235
Unrestricted (Deficit)	<u>(4,111,215)</u>
Total Net Position (Deficit)	<u><u>\$ (3,872,980)</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities
<u>Governmental Activities:</u>	
Expenses:	
Judicial:	
Salaries and Wages	\$ 2,156,513
Employee Benefits and Payroll Taxes	1,671,165
Office Expenses	407,739
Insurance	31,282
Auto/Travel	3,805
Other Expenses	146,904
Depreciation	95,111
Total Expenses	4,512,519
Program Revenues:	
Fees, Charges and Commissions for Services:	
Recordings	2,326,572
Uniform Commercial Code Fees	111,642
Cancellations	241,272
Mortgage Certificates	14,771
Court Attendance	11,840
Photocopies	441,298
Fines and Forfeitures	259,386
Suits and Successions	1,784,889
Other Fees	6,790
Intergovernmental	285,581
Licenses	23,357
Net Program Revenues (Expenses)	994,879
General Revenues:	
Interest Revenue	22,352
Total General Revenues	22,352
Change in Net Position	1,017,231
Net Position (Deficit) - Beginning of Year, Restated	(4,890,211)
Net Position (Deficit) - End of Year	\$ (3,872,980)

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, 2018

ASSETS

Cash and Cash Equivalents	\$ 2,661,731
Receivables	88,667
Due from Other Funds	2,155
Due from Other Governments	24,466
Prepaid Expenses	8,637
Total Assets	<u>\$ 2,785,656</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable	\$ 145
Accrued Salary and Wages	80,437
Payroll Taxes and Related Benefits Payable	32,059
Due to Primary Government	13,660
Total Liabilities	<u>126,301</u>
Fund Balances:	
Nonspendable:	
Prepaid Expenses	8,637
Unassigned	2,650,718
Total Fund Balances	<u>2,659,355</u>
Total Liabilities and Fund Balances	<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

JUNE 30, 2018

Fund Balances - Total Governmental Fund	\$ 2,659,355
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital Assets Used in Governmental Activities are not Financial Resources and are not Reported in the Governmental Funds	
Cost of Capital Assets	623,679
Less: Accumulated Depreciation	<u>(385,444)</u>
	238,235
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported in the Governmental Funds:	
Total Other Postemployment Benefit Liability	(4,106,090)
Net Pension Liability	(3,191,373)
Deferred Outflows of Resources Related to Pensions are not Reported in Governmental Funds	725,593
Deferred Inflows of Resources Related to Other Postemployment Benefits are not Reported in Governmental Funds	(39,523)
Deferred Inflows of Resources Related to Pensions are not Reported in Governmental Funds	<u>(159,177)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (3,872,980)</u></u>

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, 2018

Revenues:

Fees, Charges and Commissions for Services:	
Recordings	\$ 2,326,572
Uniform Commercial Code Fees	111,642
Cancellations	241,272
Mortgage Certificates	14,771
Court Attendance	11,840
Photocopies	441,298
Fines and Forfeitures	259,386
Suits and Successions	1,784,889
Other Fees	6,790
Intergovernmental	59,779
Licenses	23,357
Interest Revenue	22,352
Total Revenues	<u>5,303,948</u>

Expenditures:

Judicial:	
Salaries and Wages	2,156,513
Employee Benefits and Payroll Taxes	1,410,365
Office Expenditures	407,739
Insurance	31,282
Auto/Travel	3,805
Other Expenditures	146,904
	<u>4,156,608</u>
Capital Outlay	60,329
Total Expenditures	<u>4,216,937</u>
Excess (Deficiency) of Revenues Over Expenditures	1,087,011
Fund Balance - Beginning of Year	<u>1,572,344</u>
Fund Balance - End of Year	<u><u>\$ 2,659,355</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

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

FOR THE YEAR ENDED JUNE 30, 2018

Net Change in Fund Balance - Total Governmental Fund	\$ 1,087,011
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
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:	
Capital Outlay	60,329
Depreciation Expense	(95,111)
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(34,782)
Some Expenditures Reported in the Governmental Funds do not Require the use of Current Financial Resources and are not Reported as Expenses in the Statement of Activities.	
(Increase) Decrease in Other Postemployment Benefit Expense	(113,137)
(Increase) Decrease in Pension Expense	(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	
	<hr style="width: 100%; border: 0.5px solid black;"/>
	225,802
Change in Net Position of Governmental Activities	<hr style="width: 100%; border: 1.5px solid black;"/> \$ 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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Fees, Charges and Commissions for Services:				
Recordings	\$ 1,650,000	\$ 2,410,000	\$ 2,326,572	\$ (83,428)
Uniform Commercial Code Fees	96,000	110,700	111,642	942
Cancellations	92,000	111,000	241,272	130,272
Mortgage Certificates	15,000	14,000	14,771	771
Court Attendance	11,500	12,000	11,840	(160)
Photocopies	450,000	419,000	441,298	22,298
Fines and Forfeitures	256,000	272,000	259,386	(12,614)
Suits and Successions	1,500,000	1,708,000	1,784,889	76,889
Other Fees	164,350	1,890	6,790	4,900
Intergovernmental	73,400	59,730	59,779	49
Licenses	25,000	23,100	23,357	257
Interest Revenue	25,000	21,160	22,352	1,192
Total Revenues	4,358,250	5,162,580	5,303,948	141,368
Expenditures:				
Judicial:				
Salaries and Wages	2,272,800	2,226,000	2,156,513	69,487
Employee Benefits and Payroll Taxes	1,390,500	1,476,000	1,410,365	65,635
Office Expenditures	410,300	414,300	407,739	6,561
Insurance	31,200	33,000	31,282	1,718
Auto/Travel	2,700	3,700	3,805	(105)
Other Expenditures	137,570	154,500	146,904	7,596
	4,245,070	4,307,500	4,156,608	150,892
Capital Outlay	63,000	63,000	60,329	2,671
Total Expenditures	4,308,070	4,370,500	4,216,937	153,563
Excess (Deficiency) of Revenues Over Expenditures	50,180	792,080	1,087,011	294,931
Fund Balance - Beginning of Year	1,572,344	1,572,344	1,572,344	-
Fund Balance - End of Year	\$ 1,622,524	\$ 2,364,424	\$ 2,659,355	\$ 294,931

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS

JUNE 30, 2018

	Agency Funds		Total Agency Funds
	Advance Deposit Fund	Registry of Court Fund	
ASSETS			
Cash	\$ 4,730,385	\$ 1,456,918	\$ 6,187,303
Accounts Receivable	2,162	-	2,162
Total Assets	\$ 4,732,547	\$ 1,456,918	\$ 6,189,465
 LIABILITIES			
Due to General Fund	\$ 2,038	\$ 117	\$ 2,155
Due to Taxing Bodies and Others	4,730,509	1,456,801	6,187,310
Total Liabilities	4,732,547	1,456,918	6,189,465
NET POSITION	\$ -	\$ -	\$ -

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, 2018

	Agency Funds		Total Agency Funds
	Advance Deposit Fund	Registry of Court Fund	
Unsettled Deposits, Beginning of Year	\$4,419,753	\$1,276,772	\$ 5,696,525
Additions:			
Suits and Successions	3,787,020	-	3,787,020
Judgments	-	1,611,623	1,611,623
Interest Earned	-	87	87
Total Additions	3,787,020	1,611,710	5,398,730
Reductions:			
Clerk's Costs (Transferred to General Fund)	1,784,889	-	1,784,889
Settlements to Litigants	278,025	1,431,630	1,709,655
Sheriff's Fees	195,634	-	195,634
Parish Council Courthouse Fees	841,028	-	841,028
Other Reductions	376,688	51	376,739
Total Reductions	3,476,264	1,431,681	4,907,945
Unsettled Deposits, End of Year	<u>\$ 4,730,509</u>	<u>\$ 1,456,801</u>	<u>\$ 6,187,310</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018

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, 2018

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 2018 fiscal year was made available for public inspection at the Clerk's office on June 29, 2017. 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, 2017. 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 29, 2018.

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, 2018

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 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, 2018

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, 2018, the Clerk had no outstanding debt.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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 plans to retire on December 31, 2018. At that time, no funds are expected to be 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.

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, 2018

T. Current Year Adoption of New Standard

The Clerk adopted the following recently issued Governmental Accounting Standards Board (GASB) Standard in the preparation of this Financial Statement:

GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard revises and establish new financial reporting requirements for governments that provide their employees with postemployment benefits other than pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. See Note 8 for disclosure of the effects of this standard.

Note 2 - Cash and Cash Equivalents -

At June 30, 2018, the carrying amount of the Clerk of Court's Cash and Cash Equivalents totaled \$8,849,034, and the confirmed bank balances totaled \$9,097,014. Cash and Cash Equivalents are stated at cost, which approximates market.

	<u>Governmental Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	\$ 2,661,731	\$ 6,187,303	\$ 8,849,034
Bank Balances	\$ 2,639,179	\$ 6,457,835	\$ 9,097,014

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, 2018, none of the Clerk's bank balance of \$9,097,014 was exposed to custodial credit risk.

Note 3 - Investments -

At June 30, 2018, all investments held by the Clerk of Court are classified as cash equivalents.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Note 4 - Receivables -

The receivables at June 30, 2018 are as follows:

	General Fund
Accounts	\$ 88,667
Intergovernmental	24,466
Due from Fiduciary Funds	2,155
	\$ 115,288

Note 5 - Changes in General Fixed Assets -

A summary of changes in general fixed assets follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>Governmental Activities:</u>				
Capital Assets being Depreciated:				
Building Additions	\$ 30,013	\$ -	\$ -	\$ 30,013
Vehicles	-	19,851	-	19,851
Furniture and Fixtures	26,875	3,894	-	30,769
Equipment	506,462	36,584	-	543,046
Totals	563,350	60,329	-	623,679
Less: Accumulated Depreciation for:				
Building Additions	5,002	2,001	-	7,003
Vehicles	-	2,978	-	2,978
Furniture and Fixtures	9,813	3,839	-	13,652
Equipment	275,518	86,293	-	361,811
Total Accumulated Depreciation	290,333	95,111	-	385,444
Total Capital Assets being Depreciated, Net	273,017	(34,782)	-	238,235
Total Governmental Activities Capital Assets, Net	\$ 273,017	\$ (34,782)	\$ -	\$ 238,235

Depreciation expense of \$95,111 was charged to the Judicial Operations function in the Statement of Activities.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Note 6 - Changes in General Long-Term Debt -

The Clerk has no general long-term obligations at June 30, 2018.

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 Court 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

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

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.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

- 2) The member has at least ten years of service credit.

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

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

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

Survivor Benefits

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

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. During the year ended June 30, 2007 participants had to have been an active contributing member for one full year before becoming eligible for DROP. 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.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit 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, 2018 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

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Relief Fund. The Livingston Parish Clerk of Court's contributions to the Fund for the year ended June 30, 2018 were \$514,468 (normal employer portion \$361,566 and employee portion paid by Clerk \$152,902).

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 \$225,802 for the year ended June 30, 2018.

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

At June 30, 2018, the Livingston Parish Clerk of Court reported a liability of \$3,191,373 for its proportionate share of the net pension liability of the Fund. The net pension liability was measured as of June 30, 2017 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, 2017, the Clerk's proportion was 2.1094% which was an increase of .04990% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk recognized pension expense of \$661,417.

At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 96,648	\$ 83,744
Changes in assumptions	139,186	-
Net difference between projected and actual earnings on pension plan investments	43,707	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	84,486	75,433
Employer contributions subsequent to the measurement date	361,566	-
Total	\$ 725,593	\$ 159,177

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

\$361,566 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2019	\$ 67,087
2020	158,154
2021	78,114
2022	(98,505)
	<hr/>
	\$ 204,850
	<hr/> <hr/>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Inflation	2.50%
Salary increases	5.00% including inflation
Investment rate of return	7.00% (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 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 7.60% as of June 30, 2017. 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, 2017 are summarized in the following table:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income:		
Core Fixed Income	5.0%	1.75%
Core Plus Fixed Income	15.0%	2.25%
Domestic Equity:		
Large Cap Domestic Equity	21.0%	5.25%
Small Cap International Equity	7.0%	5.00%
International Equity:		
Large Cap International Equity	14.0%	5.25%
Small Cap International Equity	6.5%	5.25%
Emerging Markets	6.5%	7.25%
Real Estate	10.0%	4.50%
Master Limited Partnerships	5.0%	7.00%
Hedge Funds	10.0%	3.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% which was no change from its prior measurement date of June 30, 2016. 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, 2017.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

	Changes in Discount Rate		
		Current	
	1% Decrease 6.00%	Discount 7.00%	1% Increase 8.00%
Net pension liability	\$ 4,883,950	\$ 3,191,373	\$ 1,754,440

Pension Plan Fiduciary Net Position

The Fund issued a stand-alone audit report on its financial statements for the year ended June 30, 2017. Access to the audit report can be found on the Fund’s website: www.laclerksofcourt.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Payable to the Pension Plan

There is no payable to the Plan at June 30, 2018.

Note 8 - Other Postemployment Benefits -

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.

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, 2018, the following employees were covered by the benefit terms:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	42
	61

Total OPEB Liability

The Clerk’s total OPEB liability of \$4,106,090 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2018 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, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

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, as Restated (see Note 15)	\$ 4,032,476
Changes for the year:	
Service Cost	117,898
Interest	145,263
Differences Between Expected and Actual Experience	(41,848)
Benefit Payments and Net Transfers	(147,699)
Net Changes to Total OPEB Liability	73,614
Total OPEB Liability - Ending	\$ 4,106,090

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Benefit Changes – There were no changes of benefit terms for the year ended June 30, 2018.

Changes of Assumptions – There were no changes of assumptions for the year ended June 30, 2018.

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	\$ 4,839,140	\$ 4,106,090	\$ 3,528,578

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	\$ 3,565,915	\$ 4,106,090	\$ 4,789,424

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

For the year ended June 30, 2018, the Clerk recognized OPEB expense of \$260,836. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 39,523
Total	\$ -	\$ 39,523

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

<u>Year Ended June 30:</u>	
2019	\$ (2,325)
2020	(2,325)
2021	(2,325)
2022	(2,325)
2023	(2,325)
2024 and later	<u>(27,898)</u>
	<u>\$ (39,523)</u>

Note 9 - Compensated Absences -

Employees are not paid for accumulated leave upon termination.

Note 10 - Leases -

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 2018, 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 \$3,486. Total rent expense under these leases for the year ended June 30, 2018 is \$34,774.

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

<u>Year Ending June 30,</u>	<u>Amounts</u>
2019	\$ 36,319
2020	9,422
2021	<u>-</u>
Total Minimum Lease Payments	<u>\$ 45,741</u>

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Note 11 - Changes in Fiduciary Fund Balances -

A summary of changes in agency fund unsettled deposits follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Advance Deposit Fund	\$ 4,419,753	\$ 3,787,020	\$ 3,476,264	\$ 4,730,509
Registry of Court Fund	1,276,772	1,611,710	1,431,681	1,456,801
	<u>\$ 5,696,525</u>	<u>\$ 5,398,730</u>	<u>\$ 4,907,945</u>	<u>\$ 6,187,310</u>

Note 12 - Litigation and Claims -

At June 30, 2018, the Clerk of Court is involved in general lawsuits, it is the opinion of the legal advisor for the Clerk of Court that the ultimate resolution of these lawsuits will not involve any material liability to the Clerk of Court in excess of insurance coverage.

Note 13 - Cooperative Endeavor Agreements -

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

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

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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 \$841,028 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, 2018. In addition, the Clerk collected and transferred \$496,379 to the Livingston Parish Council of the \$20 additional recordation fee collected in fiscal year ended June 30, 2018 from the Clerk's General Fund with an additional \$13,660 recorded as Due to Primary Government at June 30, 2018.

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

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by Thomas L. Sullivan Jr., Clerk of Court, who was the acting agency head for the year ended June 30, 2018:

<u>Purpose</u>	
Salary	\$ 163,079
Benefits-Insurance	11,849
Benefits-Retirement	55,771
Benefits-Short Term Disability and Accident Policy	1,099
Car allowance	23,953
Travel	639
Registration fees	500

Note 15 - Change in Accounting Principle -

During the year, the Clerk adopted the requirements of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 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. GASB Statement 75 also requires enhanced note disclosures and schedules of required supplementary information that will be presented by the plans that are within its scope. The following items have been restated as of June 30, 2017 in accordance with GASB Statement 75:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Governmental Activities

Total OPEB Liability Restated:

Accumulated Unfunded OPEB Payable at June 30, 2017, as Previously Reported	\$ (2,686,379)
OPEB Adjustment	<u>(1,346,097)</u>
Total OPEB Liability at June 30, 2017, as Restated	<u><u>\$ (4,032,476)</u></u>

Net Position (Deficit) Restated:

Net Position (Deficit) - June 30, 2017, as Previously Reported	\$ (3,544,114)
OPEB Adjustment	<u>(1,346,097)</u>
Net Position (Deficit) - June 30, 2017, as Restated	<u><u>\$ (4,890,211)</u></u>

Note 16 - Subsequent Event -

Management has evaluated subsequent events through December 5, 2018, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2018*

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

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

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

See independent auditor's report.

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2018

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

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, 2018

<u>Total OPEB Liability</u>	<u>2018</u>
Service Cost	\$ 117,898
Interest	145,263
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(41,848)
Changes in Assumptions or Other Inputs	-
Benefit Payments	<u>(147,699)</u>
Net Change in Total OPEB Liability	73,614
Total OPEB Liability - Beginning, as Restated (See Note 15)	<u>4,032,476</u>
Total OPEB Liability - Ending	<u><u>\$ 4,106,090</u></u>
 Covered-Employee Payroll	 \$ 1,485,273
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 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, 2018.

Changes of Assumptions - There were no changes of assumptions for the year ended June 30, 2018.

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, 2018

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, 2017 and June 30, 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, 2015</u>	<u>June 30, 2014</u>
Investment Rate of Return	7.00%	7.25%
Inflation Rate	2.50%	2.75%
Projected Salary Increase	5.00%	5.75%
Mortality Rate - Active Members	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	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 females

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



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

To the Honorable Thomas L. Sullivan, Jr.
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, 2018, and the related notes to the financial statements, which collectively comprise the Clerk’s basic financial statements, and have issued our report thereon dated December 5, 2018.

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 Thomas L. Sullivan, Jr.
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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
December 5, 2018

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2018

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, 2018

PRIOR YEAR FINDINGS:

None

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

JUNE 30, 2018

LIVINGSTON, LOUISIANA

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Honorable Thomas L. Sullivan, Jr.
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, 2017 through June 30, 2018. 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) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget – **No Exceptions.**
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes. – **No Exceptions.**
 - c) ***Disbursements***, including processing, reviewing, and approving – **No Exceptions.**
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No Exceptions.**

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked. – **No Exceptions.**
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process – **No Exceptions.**
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases) – **No Exceptions.**
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers – **No Exceptions.**
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity’s ethics policy. – **No Exceptions.**
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. – **No Exceptions.**

Board or Finance Committee – Not applicable – The Clerk is an independently elected official.

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board’s enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. .
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

- 3. 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 – The bank reconciliations included reconciling items that have been outstanding for more than 12 months from the statement closing date. During the current year, the Clerk implemented a procedure to research and document old reconciling items. The Clerk’s employees had started the process of researching and documenting the reconciling items but had not researched and documented all items at June 30, 2018.

Management’s Response/Corrective Action – See management’s response at end of report.

Collections – These procedures were not performed because no exceptions were noted in prior year.

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management’s representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management’s representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). – **No exceptions.**
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. – **No exceptions.**
 - b) At least two employees are involved in processing and approving payments to vendors. – **No exceptions.**
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. – **No exceptions.**
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. – **No exceptions.**
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement. – **No exceptions.**
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable. – **No exceptions.**

Credit Cards/Debit Cards/Fuel Cards/P-Cards – These procedures were not performed because no exceptions were noted in prior year.

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions) – These procedures were not performed because no exceptions were noted in prior year.

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts – These procedures were not performed because no exceptions were noted in prior year.

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel – These procedures were not performed because no exceptions were noted in prior year.

16. Obtain a listing of employees/elected officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management’s termination payment calculations, agree the hours to the employee/officials’ cumulate leave records, and agree the pay rates to the employee/officials’ authorized pay rates in the employee/officials’ personnel files.
19. Obtain management’s representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers’ compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics – These procedures were not performed because no exceptions were noted in prior year.

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

- 21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued. **Not Applicable - No Debt.**
- 22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants. **Not Applicable - No Debt.**

Other

- 23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled. – **None noted.**
- 24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. – **No exceptions.**

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
December 5, 2018

Livingston Parish Clerk of Court

THOMAS L. SULLIVAN, JR.

Clerk of Court

P.O. Box 1150

Livingston, Louisiana 70754
(225) 686-2216

Trey Sanders CPA
Hannis T. Bourgeois, LLP
178 Del Orleans Ave, Suite C
Denham Springs, LA 70726

Re: LLAAUP

Dear Mr. Sanders,

In response to the draft, you sent on Monday, October 22, 2018 via e-mail, referencing an exception in the LLA statewide agreed-upon procedures report regarding old outstanding unreconciled items on bank reconciliations, LPCC has implemented a procedure to research and document these transactions. Due to it being an arduous task, it was incomplete on June 30, 2018; however, it is an ongoing process.

Regards,

Ann Wimberly

Ann Wimberly
Chief Administrative Deputy