

LIVINGSTON PARISH CLERK OF COURT

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

JUNE 30, 2010

LIVINGSTON, LOUISIANA

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/2/11

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December 14, 2010

INDEPENDENT AUDITOR'S REPORT

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund) and each fiduciary fund of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2010, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Livingston Parish Clerk of Court's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Clerk's June 30, 2009 financial statements and, in our report dated November 2, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the major fund (General Fund), and each fiduciary fund.

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 the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, 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.

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court

As described in Note 1 to the basic financial statements, the Livingston Parish Clerk of Court adopted the provisions of Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, as of July 1, 2009.

In accordance with Government Auditing Standards, we have also issued a report dated December 14, 2010, on our consideration of the Livingston Parish Clerk of Court's internal control over financial reporting and 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 and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 12 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.

Respectfully submitted,

Hannia T. Bourgeois, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Management's Discussion and Analysis (MD&A) for the Livingston Parish Clerk of Court 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.

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:

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.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

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 Assets 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 assets. Over time, increases or decreases in net assets (and changes in the components of net assets) 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 assets changed during the fiscal years presented. All changes in net assets are 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.

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

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

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.

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 Assets

Presented below is a condensed Statement of Net Assets 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.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

Condensed Statement of Net Assets - Governmental Activities

	Total Governmental Activities	
	2010	2009
Cash and Other Current Assets	\$ 2,554,963	\$ 1,890,052
Capital Assets, Net	519,419	592,181
Total Assets	<u>3,074,382</u>	<u>2,482,233</u>
Other Liabilities	462,179	107,449
Total Liabilities	<u>462,179</u>	<u>107,449</u>
Net Assets:		
Investment in Capital Assets, net of Related Debt	519,419	592,181
Unrestricted Net Assets	<u>2,092,784</u>	<u>1,782,603</u>
Total Net Assets	<u>\$ 2,612,203</u>	<u>\$ 2,374,784</u>

Government-Wide Review of Condensed Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Livingston Parish Clerk of Court exceeded liabilities by \$2,612,203 compared to \$2,374,784 the previous fiscal year. Other liabilities increased \$354,730 due to the Livingston Parish Clerk of Court implementing GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, whereby a liability of \$400,320 was recorded for fiscal year ended June 30, 2010, as discussed in Note 8 to the financial statements. Approximately 20% of the Clerk of Court's net assets reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending. The balance of the Clerk's net assets increased by just under 10 percent between fiscal years 2010 and 2009.

Statement of Activities

A condensed Statement of Activities for the Livingston Parish Clerk of Court is presented on the following page. It lists the major categories of revenues and expenses for the fiscal years ended June 30, 2010 and 2009. The Clerk's total revenues increased by almost twenty-three percent. The total cost of all programs and services increased approximately \$149,000 or just less than four percent, resulting in an increase in net assets of \$237,419 for the year.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

Condensed Statement of Activities - Governmental Activities

	Total Governmental Activities	
	2010	2009
Program Revenues:		
Charges for Services and Licenses	\$ 4,070,511	\$ 3,253,741
Capital Grants and Contributions	-	-
Total Program Revenues	4,070,511	3,253,741
General Revenues:		
Interest Income	43,945	34,478
Other Revenues	215,485	241,842
Total Revenues	4,329,941	3,530,061
Program Expenses:		
Salaries	1,825,744	1,979,625
Employee Benefits and Payroll Taxes	1,471,258	1,025,925
Office Expenditures and Insurance	506,371	524,514
Travel and Auto Allowances	26,998	26,750
Other Expenditures	167,323	262,168
Depreciation	94,828	124,870
Total Program Expenses	4,092,522	3,943,852
Change in Net Assets	\$ 237,419	\$ (413,791)

Government-Wide Review of Condensed Statement of Activities

The Condensed Statement of Activities presents revenues, expenses, and changes in net assets separately for governmental activities. The condensed format allows for presentation of Program Revenues followed by a listing of General Revenues (Interest Income and Miscellaneous Revenues) 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.

There are two categories of revenues on the Statement of Activities - "Program Revenues" and "General Revenues." Program Revenues derive directly from the program itself or from parties outside the Clerk of Court's taxpayers or citizenry, as a whole; they reduce the net cost of the functions to be financed from the government's General Revenues. Program Revenues totaled \$4,070,511 and \$3,253,741 for the fiscal years ending June 30, 2010 and 2009 respectively, with the major components as listed in the following table:

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

<u>Components of Program Revenue</u>	<u>Total Governmental Activities</u>			
	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Recordings, Cancellations, and Mortgage Certificates	\$ 1,404,177	34.50%	\$ 1,296,069	39.83%
Suits and Successions	2,041,096	50.14%	1,438,013	44.20%
Court Attendance and Bond Forfeits	228,880	5.62%	123,794	3.80%
Photocopies	373,619	9.18%	369,794	11.37%
Licenses and Permits	22,739	0.56%	26,071	0.80%
Total Program Revenues	\$ 4,070,511	100.00%	\$ 3,253,741	100.00%

“General Revenues” totaling \$259,430 and \$276,320 respectively, consisted of interest income earned on cash and investments and various other fees and reimbursements for services of the Clerk of Court’s office.

<u>Components of General Revenue</u>	<u>Total Governmental Activities</u>			
	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Interest Earned	\$ 43,945	16.94%	\$ 34,478	12.48%
Other Revenue	215,485	83.06%	241,842	87.52%
Total General Revenues	\$ 259,430	100.00%	\$ 276,320	100.00%

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	15
Statement of Revenues, Expenditures, and Changes in Fund Balance	17

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

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the General Fund reported an Unreserved Fund Balance of \$2,485,882 an increase of \$710,638 from 2009's balance of \$1,775,244. Cash and Cash Equivalents and Receivables totaling \$2,428,713 in 2010 increased \$615,961 from 2009's balance of \$1,812,752. 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, Payroll Taxes and Related Employee Benefits, and Accrued Employee Leave.

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 Assets with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

Required Supplementary Information

In addition to this Management's Discussion and Analysis and the basic financial statements, the annual report also presents certain required supplementary information. For the Livingston Parish Clerk of Court, the Required Supplementary Information is included for the General Fund as "Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual - General Fund." The presentation under the GASB 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. 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.

Analysis of Significant Budget Variations in the General Fund

The Livingston Parish Clerk of Court demonstrated legal compliance by amending its budget in accordance with provisions of the Local Government Budget Act. Actual revenues and other sources were within 1% of budgeted revenues and other sources, and actual expenditures exceeded budgeted expenditures and other uses by 2.27%.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

The significant variations from the original budgeted revenues and expenditures for the General Fund were as follows:

- ❖ Significant variations (greater than 10%) from original budgeted revenues occurred in the following revenue categories:

Revenue Category	Original Budget	Final Budget	Actual	Variance from Original Budget
Suits and Successions	\$ 1,469,800	\$ 2,030,000	\$ 2,041,096	38.87%
Bond Forfeits	135,000	219,000	217,780	61.32%
Other Revenue	257,800	241,680	215,485	(16.41%)
Interest Revenue	75,000	12,000	43,945	(41.41%)
Licenses and Permits	26,000	22,600	22,739	(12.54%)

- ❖ Significant variations (greater than 10%) from original budgeted expenditures occurred in the following expenditure categories:

Expenditure Category	Original Budget	Final Budget	Actual	Variance from Original Budget
Insurance	\$ 49,000	\$ 42,500	\$ 43,518	(11.19%)
Capital Outlay	35,000	22,000	22,066	(36.95%)

- ❖ Actual revenues exceeded the amended budget by \$27,411. Expenditures were \$80,403 greater than the amended budget, resulting in a net unfavorable variance of \$52,992.

Budgets for other revenue and expenditure categories were amended in the normal course of operations.

Capital Assets at Year-End

	Governmental Activities
Beginning Balance	\$ 1,788,888
Plus Additions	22,066
Less Deletions	(2,913)
Less Accumulated Depreciation	(1,288,622)
Ending Balance	<u>\$ 519,419</u>

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

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.

Economic Factors

Louisiana Clerks of Court are unique among local constitutional agencies. They derive their revenues almost exclusively from fees for their services; they do not receive appropriations of state and/or local taxes. Of itself, that does not distinguish them from all other agencies; however, it is the relationship between revenue sources and expenditures necessary to carry out their duties that sets them apart from other agencies.

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.

The Notarial business of the Clerk is extremely sensitive to the general economic climate of the parish. Historically, it has produced approximately 55 percent of total operating revenues, most of which can be traced to real estate activity. The Civil business of the Clerk tends to increase as the population and commercial activity of the parish grows. Historically, it has produced approximately 40 percent of total operating revenues. The Criminal business of the Clerk is directly proportional to population growth and its attendant societal changes. It rarely accounts for 5 percent or more of total operating revenues.

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2010

A disproportionate level of expenditures of the Clerk are consumed in the staffing and support of the Criminal Division activities. In FYE 2009 almost 35 percent operating expenditures were attributable to the Criminal Division even though it contributed slightly less than 5% of total operating revenue. In FYE 2010 that trend continued except that the Criminal Division produced 5.6% of total operating revenue.

The results of operations reported in the accompanying financial statements clearly reflect the following:

- The nationwide real estate slump that began to affect economic activity in Livingston Parish in FYE 2008 worsened considerably during FYE 2009 and only slightly began to recover during FYE 2010;
- Civil suit activity related in large part to the recession substantially increased in FYE 2010; even though this contributed to operating revenue it is not an indicator of a healthy economy;
- It is likely that any recovery during FYE 2011 will be slight, if at all, and the Clerk has reflected such in the FYE 2011 budget;
- The Clerk's Office will attempt to maintain a high level of service in the face of the economic recession;
- The Louisiana Clerks of Court Association continues to work on proposed legislation that may generate more revenue for their Criminal Divisions in an attempt to close the gap between the expenses of processing criminal cases and the revenue derived therefrom.

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 ASSETS

JUNE 30, 2010

(With Comparative Totals as of June 30, 2009)

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,344,999	\$ 1,759,186
Receivables, Net	202,742	123,507
Prepaid Insurance	7,222	7,359
Capital Assets (Net of Accumulated Depreciation)	519,419	592,181
Total Assets	<u>\$ 3,074,382</u>	<u>\$ 2,482,233</u>
LIABILITIES		
Accounts Payable	\$ 3,989	\$ 26,165
Payroll Taxes and Related Benefits Payable	41,193	66,218
Accrued Employee Leave	16,677	15,066
Unfunded Other Post Employment Benefits	400,320	-
Total Liabilities	<u>462,179</u>	<u>107,449</u>
NET ASSETS		
Investment in Capital Assets	519,419	592,181
Unrestricted	2,092,784	1,782,603
Total Net Assets	<u>2,612,203</u>	<u>2,374,784</u>
Total Liabilities and Net Assets	<u>\$ 3,074,382</u>	<u>\$ 2,482,233</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, 2010
(With Comparative Totals for the Year Ended June 30, 2009)

	2010	2009
<u>Governmental Activities:</u>		
Expenses:		
Judicial:		
Salaries and Wages	\$ 1,825,744	\$ 1,979,625
Employee Benefits and Payroll Taxes	1,471,258	1,025,925
Office Expenses	462,716	470,281
Insurance	43,655	54,233
Auto/Travel	14,532	14,284
Clerk's Allowance	12,466	12,466
Other Expenses	167,323	262,168
Depreciation	94,828	124,870
Total Expenses	4,092,522	3,943,852
Program Revenues:		
Fees, Charges & Commissions for Services:		
Recordings	1,220,126	1,109,255
Cancellations	170,772	172,833
Mortgage Certificates	13,279	13,981
Court Attendance	11,100	10,140
Photocopies	373,619	369,794
Bond Forfeits	217,780	113,654
Suits and Successions	2,041,096	1,438,013
Licenses and Permits	22,739	26,071
Net Program Revenues (Expenses)	(22,011)	(690,111)
General Revenues:		
Interest Revenue	43,945	34,478
Other Revenue	215,485	230,842
Net Gain on Sale of Assets	-	11,000
Total General Revenues	259,430	276,320
Change in Net Assets	237,419	(413,791)
Net Assets - Beginning of Year	2,374,784	2,788,575
Net Assets - End of Year	\$ 2,612,203	\$ 2,374,784

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH CLERK OF COURT

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2010

(With Comparative Totals as of June 30, 2009)

	General Fund	
	2010	2009
ASSETS		
Cash and Cash Equivalents	\$ 2,344,999	\$ 1,759,186
Receivables	83,714	53,566
Due from Other Funds	65,408	42,977
Due from Other Governments	53,620	26,964
Total Assets	<u>\$ 2,547,741</u>	<u>\$ 1,882,693</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 3,989	\$ 26,165
Payroll Taxes and Related Benefits Payable	41,193	66,218
Accrued Employee Leave	16,677	15,066
Total Liabilities	<u>61,859</u>	<u>107,449</u>
Fund Balances:		
Unreserved	2,485,882	1,775,244
Total Fund Balances	<u>2,485,882</u>	<u>1,775,244</u>
Total Liabilities and Fund Balances	<u>\$ 2,547,741</u>	<u>\$ 1,882,693</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 ASSETS

JUNE 30, 2010

(With Comparative Totals as of June 30, 2009)

	<u>2010</u>	<u>2009</u>
Fund Balances - Total Governmental Fund	\$ 2,485,882	\$ 1,775,244
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:		
Cost of Capital Assets	1,808,041	1,788,888
Less: Accumulated Depreciation	<u>(1,288,622)</u>	<u>(1,196,707)</u>
	519,419	592,181
Prepaid Insurance	7,222	7,359
Long Term Liabilities:		
Accumulated Unfunded Other Postemployment Benefits Payable	<u>(400,320)</u>	<u>-</u>
Net Assets of Governmental Activities	<u>\$ 2,612,203</u>	<u>\$ 2,374,784</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, 2010
(With Comparative Totals for the Year Ended June 30, 2009)

	General Fund	
	2010	2009
Revenues:		
Fees, Charges & Commissions for Services:		
Recordings	\$ 1,220,126	\$ 1,109,255
Cancellations	170,772	172,833
Mortgage Certificates	13,279	13,981
Court Attendance	11,100	10,140
Photocopies	373,619	369,794
Bond Forfeits	217,780	113,654
Suits and Successions	2,041,096	1,438,013
Licenses and Permits	22,739	26,071
Interest Revenue	43,945	34,478
Other Revenue	215,485	241,842
	4,329,941	3,530,061
Expenditures:		
Judicial:		
Salaries and Wages	1,825,744	1,979,625
Employee Benefits and Payroll Taxes	1,070,938	1,025,925
Office Expenditures	462,716	470,281
Insurance	43,518	54,457
Auto/Travel	14,532	14,284
Clerk's Allowance	12,466	12,466
Other Expenditures	167,323	262,168
	3,597,237	3,819,206
Capital Outlay	22,066	8,784
Total Expenditures	3,619,303	3,827,990
Excess (Deficit) of Revenues Over Expenditures	710,638	(297,929)
Fund Balance - Beginning of Year	1,775,244	2,073,173
Fund Balance - End of Year	\$ 2,485,882	\$ 1,775,244

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**

JUNE 30, 2010

(With Comparative Totals for the Year Ended June 30, 2009)

	2010	2009
Net Change in Fund Balance - Total Governmental Fund	\$ 710,638	\$ (297,929)
<p>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</p>		
<p>Governmental Funds Report Capital Outlays as Expenditures. 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 Capital Outlays Exceeded Depreciation Expense in the Current Period:</p>		
Capital Outlay	22,066	8,784
Depreciation Expense	(94,828)	(124,870)
	(72,762)	(116,086)
Add Accumulated Depreciation on Assets Retired During the Year	2,913	13,800
Less Cost Basis of Assets Retired During the Year	(2,913)	(13,800)
<p>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.</p>		
Change in Prepaid Insurance	(137)	224
<p>Long-Term Debt:</p>		
Net Change in Other Postemployment Benefits Obligation	(400,320)	-
Change in Net Assets of Governmental Activities	\$ 237,419	\$ (413,791)

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, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Fees, Charges & Commissions for Services:				
Recordings	\$ 1,140,000	\$ 1,205,000	\$ 1,220,126	\$ 15,126
Cancellations	175,000	170,700	170,772	72
Mortgage Certificates	14,000	13,100	13,279	179
Court Attendance	11,000	15,200	11,100	(4,100)
Photocopies	364,500	373,250	373,619	369
Bond Forfeits	135,000	219,000	217,780	(1,220)
Suits and Successions	1,469,800	2,030,000	2,041,096	11,096
Licenses and Permits	26,000	22,600	22,739	139
Interest Revenue	75,000	12,000	43,945	31,945
Other Revenue	257,800	241,680	215,485	(26,195)
Total Revenues	3,668,100	4,302,530	4,329,941	27,411
Expenditures:				
Judicial:				
Salaries and Wages	1,858,300	1,753,600	1,825,744	(72,144)
Employee Benefits and Payroll Taxes	1,074,800	1,067,000	1,070,938	(3,938)
Office Expenditures	442,500	465,500	462,716	2,784
Insurance	49,000	42,500	43,518	(1,018)
Auto/Travel	13,500	14,000	14,532	(532)
Clerk's Allowance	12,500	12,500	12,466	34
Other Expenditures	175,500	161,800	167,323	(5,523)
	3,626,100	3,516,900	3,597,237	(80,337)
Capital Outlay	35,000	22,000	22,066	(66)
Total Expenditures	3,661,100	3,538,900	3,619,303	(80,403)
Excess (Deficit) of Revenues Over Expenditures	7,000	763,630	710,638	(52,992)
Fund Balance - Beginning of Year	1,775,244	1,775,244	1,775,244	-
Fund Balance - End of Year	\$ 1,782,244	\$ 2,538,874	\$ 2,485,882	\$ (52,992)

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2010

(With Comparative Totals as of June 30, 2009)

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>2010</u>	<u>2009</u>
ASSETS				
Cash	\$ 2,707,204	\$ 796,816	\$ 3,504,020	\$ 3,934,325
Accounts Receivable	16,149	103	16,252	1,956
Total Assets	<u>\$ 2,723,353</u>	<u>\$ 796,919</u>	<u>\$ 3,520,272</u>	<u>\$ 3,936,281</u>
LIABILITIES				
Due to General Fund	\$ 65,302	\$ 106	\$ 65,408	\$ 42,977
Due to Taxing Bodies and Others	2,658,051	796,813	3,454,864	3,893,304
Total Liabilities	<u>2,723,353</u>	<u>796,919</u>	<u>3,520,272</u>	<u>3,936,281</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF CHANGES IN FIDUCIARY UNSETTLED DEPOSITS
FIDUCIARY FUNDS

JUNE 30, 2010

(With Comparative Totals for the Year Ended June 30, 2009)

	<u>Agency Funds</u>		<u>Total Agency Funds</u>	
	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>2010</u>	<u>2009</u>
Unsettled Deposits, Beginning of Year	\$ 2,727,185	\$ 1,166,119	\$ 3,893,304	\$ 3,728,301
Additions:				
Suits and Successions	2,958,295	-	2,958,295	2,445,864
Judgments	-	815,010	815,010	379,542
Interest Earned	-	2,899	2,899	9,008
Total Additions	<u>2,958,295</u>	<u>817,909</u>	<u>3,776,204</u>	<u>2,834,414</u>
Reductions:				
Clerk's Costs (Transferred to General Fund)	2,041,096	-	2,041,096	1,438,013
Settlements to Litigants	572,244	1,185,458	1,757,702	866,444
Sheriff's Fees	167,752	-	167,752	158,925
Other Reductions	246,337	1,757	248,094	206,029
Total Reductions	<u>3,027,429</u>	<u>1,187,215</u>	<u>4,214,644</u>	<u>2,669,411</u>
Unsettled Deposits, End of Year	<u>\$ 2,658,051</u>	<u>\$ 796,813</u>	<u>\$ 3,454,864</u>	<u>\$ 3,893,304</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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. 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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

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, 2010

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 Assets 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, 2010

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 2010 fiscal year was made available for public inspection at the Clerk's office on June 30, 2009. 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 30, 2009. 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 30, 2010.

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, 2010

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. At June 30, 2010, the Clerk of Court has no prepaid items reported on the fund financial statements.

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 Assets 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 earn vacation leave of ten days per year after one year of employment. Sick leave is earned at the rate of twelve days per year after one year of employment. Only the vacation leave is paid to the employees upon termination of employment and any accrued sick leave is forfeited. In accordance with GASB 16, Accounting for Compensated Absences, the liability for accrued unused employee vacation is included in these financial statements as Accrued Employee Leave.

L. 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.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

M. 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.

N. Fund Equity

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

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. 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 capital assets and record books during the clerk of court's four year term. The Clerk's current term expires on June 30, 2012. Since the Clerk did not receive any funding from the parish treasurer during the past four years, and since total fund balance did not exceed one-half of the revenues of the clerk's last year of his term in office, a liability is not owed to the Parish Council under the provisions of R.S. 13:1385 at June 30, 2010.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

P. Summary Financial Information for 2009

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the clerk's financial statements for the year ended June 30, 2009, from which the summarized information was derived. Certain amounts in the 2009 columns have been reclassified for the prior year's presentation to conform to the current year classifications.

Q. Change in Accounting Principles

For the fiscal year ended June 30, 2010, the Livingston Parish Clerk of Court prospectively implemented the provisions of Governmental Accounting Standards Board Statement No. 45 Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Note 2 - Cash and Cash Equivalents -

At June 30, 2010, the carrying amount of the Clerk of Court's Cash and Cash Equivalents totaled \$5,849,019, and the confirmed bank balances totaled \$6,206,124. Cash and Cash Equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent 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 following is a summary of cash and cash equivalents at June 30, 2010, with the related federal deposit insurance and pledged securities:

	<u>Governmental Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	\$ 2,344,999	\$ 3,504,020	\$ 5,849,019
Bank Balances (Category 3 Only):			
a. Uninsured and Uncollateralized	\$ -	\$ -	\$ -
b. Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-
c. Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent, but not in the Entities Name	<u>2,112,080</u>	<u>3,594,044</u>	<u>5,706,124</u>
Total Category 3 Bank Balances	<u>\$ 2,112,080</u>	<u>\$ 3,594,044</u>	<u>\$ 5,706,124</u>
Total Bank Balances (Regardless of Category)	<u>\$ 2,454,269</u>	<u>\$ 3,751,855</u>	<u>\$ 6,206,124</u>

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. As of June 30, 2010, \$5,706,124 of the Clerk's bank balance of \$6,206,124 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name.

Note 3 - Investments -

At June 30, 2010, 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, 2010

Note 4 - Receivables -

The receivables at June 30, 2010 are as follows:

	<u>General Fund</u>
Accounts	\$ 83,714
Intergovernmental	53,620
Due from Fiduciary Funds	<u>65,408</u>
	<u>\$ 202,742</u>

Note 5 - Changes in General Fixed Assets -

A summary of changes in general fixed assets follows:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
<u>Governmental Activities:</u>				
Capital Assets being Depreciated:				
Buildings Additions	\$ 674,675	\$ -	\$ -	\$ 674,675
Vehicles	58,552	-	-	58,552
Equipment	<u>1,055,661</u>	<u>22,066</u>	<u>(2,913)</u>	<u>1,074,814</u>
Total Capital Assets being Depreciated	1,788,888	22,066	(2,913)	1,808,041
Less: Accumulated Depreciation for:				
Buildings	204,546	23,131	-	227,677
Vehicles	43,300	6,779	-	50,079
Equipment	<u>948,861</u>	<u>64,918</u>	<u>(2,913)</u>	<u>1,010,866</u>
Total Accumulated Depreciation	<u>1,196,707</u>	<u>94,828</u>	<u>(2,913)</u>	<u>1,288,622</u>
Total Capital Assets being Depreciated, Net	<u>592,181</u>	<u>(72,762)</u>	<u>-</u>	<u>519,419</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 592,181</u>	<u>\$ (72,762)</u>	<u>\$ -</u>	<u>\$ 519,419</u>

Depreciation expense of \$94,828 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, 2010

Note 6 - Changes in General Long-Term Debt -

The Clerk has no general long-term obligations at June 30, 2010.

Note 7 - Retirement Plans -

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy: Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Livingston Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 14.75 percent of annual covered payroll.

In addition, the Louisiana Legislature passed R.S. 11:1562(C) which allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee required contributions which would otherwise be deducted from the employee's salary. Since December 1999, the Clerk has elected to pay 100% of all retirement system contributions to the Louisiana Clerk of Court Retirement and Relief Fund.

Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contributions requirements of plan members and the Livingston Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Clerk of Court contributions to the System for the years ended June 30, 2010, 2009, and 2008, were \$398,268 (normal employer portion \$255,808 and employees portion \$142,460) \$347,930, and \$352,011, respectively, equal to the required contribution for each year.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Note 8 - Other Postemployment Benefits -

Plan Description. The Clerk administers a single-employer defined benefit postemployment health care plan ("the Retiree Health Plan"). The plan provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries through the Clerk's group health insurance plan, which covers both active and retired members. Benefit provisions are established through Blue Cross Blue Shield of Louisiana (health and dental insurance), and Standard Life and American United Life (life insurance). The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the Clerk. The Clerk pays the full cost of the benefits for retired plan members' spouses and dependent children. For fiscal year 2010, the Clerk contributed \$46,627 to the plan.

Annual OPEB Cost and Net OPEB Obligation. For 2010, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 446,947
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	<u>-</u>
Annual OPEB Cost (Expense)	446,947
Contributions Made	<u>(46,627)</u>
Increase in Net OPEB Obligation	400,320
Net OPEB Obligation - Beginning of Year	<u>-</u>
Net OPEB Obligation - End of Year	<u>\$ 400,320</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2010	\$446,947	10.4%	\$400,320

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Funded Status and Funding Progress. As of June 30, 2009, the date of the first actuarial valuation, the actuarial accrued liability for benefits was \$4,136,881, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,663,434, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 248.7%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below, presents the first year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 4.0% was used. In addition, the actuarial assumptions included an annual medical healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 6.0% after 8 years. The annual dental cost trend rate is 5.0% initially, reduced by decrements to an ultimate rate of 3.5% after 6 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
7/1/2009	\$ -	\$4,136,881	\$4,136,881	0.0%	\$1,663,434	248.7%

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Note 9 - Compensated Absences -

At June 30, 2010, employees of the Clerk of Court have accumulated and vested \$16,677 of employee leave benefits, computed in accordance with GASB Codification Section C60. The entire amount is recorded as an obligation of the General Fund.

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, 2010, 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-four months. These leases require a total monthly payment of \$5,664. Total rent expense under these leases for the year ended June 30, 2010 is \$70,932.

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>
2011	\$ 67,972
2012	27,655
2013	15,026
2014	10,874
2015	<u>5,366</u>
Total Minimum Lease Payments	<u>\$ 126,893</u>

Note 11 - Changes in Fiduciary Fund Balances -

A summary of changes in agency fund unsettled deposits follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Advance Deposit Fund	\$ 2,727,185	\$ 2,958,295	\$ 3,027,429	\$ 2,658,051
Registry of Court Fund	<u>1,166,119</u>	<u>817,909</u>	<u>1,187,215</u>	<u>796,813</u>
	<u>\$ 3,893,304</u>	<u>\$ 3,776,204</u>	<u>\$ 4,214,644</u>	<u>\$ 3,454,864</u>

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Note 12 - Litigation and Claims -

At June 30, 2010, 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 - Current Accounting Pronouncements -

In February 2009, the Governmental Accounting Standards Board issued GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to improve usefulness, including the understandability, of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting. This Statement will be required to be adopted by the Livingston Parish Clerk of Court for the fiscal year ending June 30, 2011.

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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December 14, 2010

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court
Livingston, Louisiana

We have audited the financial statements of the governmental activities, the major fund (General Fund) and each fiduciary fund of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2010, which collectively comprises the Livingston Parish Clerk of Courts' basic financial statements and have issued our report thereon dated December 14, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Livingston Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures 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 Livingston Parish Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court

Compliance

As part of obtaining reasonable assurance about whether the Livingston Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

In addition, we noted other matters involving the internal control and its operation that we have reported to management of the Livingston Parish Clerk of Court in a separate letter dated December 14, 2010.

This report is intended solely for the information of management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannia T. Bourgeois, LLP

LIVINGSTON PARISH CLERK OF COURT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2010

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, 2010

PRIOR YEAR FINDINGS:

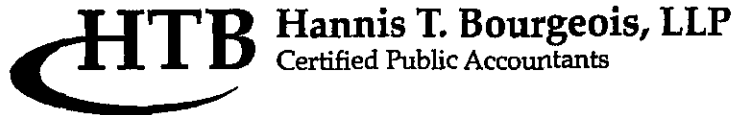
None

LIVINGSTON PARISH CLERK OF COURT

MANAGEMENT LETTER

JUNE 30, 2010

LIVINGSTON, LOUISIANA



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December 14, 2010

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court
Livingston, Louisiana

In planning and performing our audit of the basic financial statements of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council), for the year ended June 30, 2010, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The following summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated December 14, 2010, on the basic financial statements of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council).

CURRENT YEAR FINDINGS:

Implementation of Governmental Accounting Standards Board Statement No. 54 – “Fund Balance Reporting and Governmental Fund Type Definitions”

Finding:

The Governmental Accounting Standards Board issued GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” The objective of this Statement is to improve usefulness, including the understandability, of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting. This Statement will be required to be adopted by the Livingston Parish Clerk of Court for the fiscal year ending June 30, 2011.

Recommendation:

We recommend for the Clerk to review the requirements of GASB Statement 54 and make any necessary modifications to the accounting system to implement the requirements of Statement 54.

Management Response:

Management will review the requirements of GASB Statement 54 and implement the requirements that affect the Livingston Parish Clerk of Courts Office.

PRIOR YEAR FINDINGS:

Implementation of Governmental Accounting Standards Board Statement No. 45 – “Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions

Finding:

As indicated in Note 14 to the June 30, 2009 Financial Statements, the Government Accounting Standards Board issued GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions.” This Statements’ objective is to establish uniform standards of financial reporting by state and local government entities for other postemployment benefits (OPEB) including post-employment healthcare benefits. This Statement provides standards for measurement, recognition, and display of the OPEB expenses and related liabilities, note disclosures, and required supplementary information. This statement requires an actuarial valuation of the OPEB liability on at least a biennial basis and must be adopted by the Livingston Parish Clerk of Court for the fiscal year ending June 30, 2010.

Recommendation:

We recommended for the Clerk to take the steps necessary to implement the requirements of GASB 45 and obtain the services of a qualified actuary to perform the necessary calculations to determine the financial impact of GASB No. 45 and report the results of the actuarial calculations in the June 30, 2010 financial statements

Corrective Action Taken:

Management contracted with an actuary to calculate the value of the Clerk’s Postretirement Benefits Other than Pensions and implemented the requirements GASB Statement No. 45 in the June 30, 2010 financial statements.

Investigate Old Outstanding Checks

Finding:

Several bank account reconciliations include numerous old outstanding checks. Some of the outstanding checks date back to July 1998. One account had a total of \$78,583 in outstanding checks dated from July 1, 1998 through May 20, 2009. There is no formal procedure for the disposition of these outstanding checks. Because there is no formal policy in existence, old outstanding checks have accumulated and are not properly followed up on and turned over to the State Treasurer according to current escheat laws.

Recommendation:

We recommended for the Clerk to establish a formal written policy to dispose of the old outstanding checks in accordance with current State escheat laws. The policy should specify specific requirements based on the age of the outstanding items and the required actions of the Clerk's accounting staff. For example, the policy may require for the payee to be contacted once the checks are 60 days old to find out why the check has not been negotiated. The policy should also include steps to turn over the funds on outstanding checks to the State Treasurer in accordance with current escheat laws.

Additional Finding/Recommendation:

In the current year audit, we noted the Clerk has not fully implemented a procedure for the disposition of the outstanding checks. We noted one account had a total of \$85,531 in outstanding checks dated from July 1, 1998 through May 24, 2010. We again recommend a formal procedure for the disposition of these outstanding checks be adopted to contact the payee of each of the outstanding checks that are over 60 days old to find out why the check has not been negotiated. We further recommend for these old outstanding checks to be turned over to the State Treasurer in accordance with current escheat laws.

Management Response:

Management is in the process of checking the outstanding checks to turn over to the State or reissue to the client.

This report is intended for the use of management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Livingston Parish Clerk of Court, is a matter of public record.

Respectfully submitted,

Hannis T. Bourgeois, LLP