

**JEFFERSON PARISH CLERK OF COURT**

**Gretna, Louisiana**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2017**

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana  
Annual Financial Report  
For the Year Ended June 30, 2017

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3-5
Required Supplemental Information (Part I)	
MANAGEMENT'S DISCUSSION & ANALYSIS	6-11
Basic Financial Statements:	12
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Fund	15
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to the Statement of Activities	18
Fiduciary Funds:	
Combining Statement of Fiduciary Assets and Liabilities	19
Notes to the Financial Statements	20-43
Required Supplementary Information (Part II)	
Budgetary Comparison Schedule - General Fund	45
Schedule of Funding Progress for Clerk's OPEB Plan	46
Schedule of Clerk's Proportionate Share of Net Pension Liability	47
Schedule of Clerk's Contributions	48
Notes to Required Supplementary Information	49

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana  
Annual Financial Report  
For the Year Ended June 30, 2017

TABLE OF CONTENTS - CONTINUED

Other Supplementary Information	
Fiduciary Funds – Combining Statement of Changes in Assets and Liabilities	51
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	52
Other Independent Auditor’s Reports and Findings	
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	53-54
Summary Schedule of Findings	55



Duplantier  
Hrapmann  
Hogan &  
Maher, LLP

INDEPENDENT AUDITOR'S REPORT

December 22, 2017

William G. Stamm, CPA  
Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA  
David A. Burgard, CPA  
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA  
(1919-1985)

Felix J. Hrapmann, Jr., CPA  
(1919-1990)

William R. Hogan, Jr., CPA  
(1920-1996)

James Maher, Jr., CPA  
(1921-1999)

**New Orleans**

1615 Poydras Street,  
Suite 2100  
New Orleans, LA 70112  
Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**

1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**

247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**

5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

Honorable Jon A. Gegenheimer  
Jefferson Parish Clerk of Court  
Gretna, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion 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 from material misstatement.

[www.dhhmcpa.com](http://www.dhhmcpa.com)

Members  
American Institute of  
Certified Public Accountants  
Society of LA CPAs

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 Clerk of Court'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 Clerk of Court'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 opinions.

## **Opinion**

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, and the aggregate remaining fund information of the Clerk of Court as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of funding progress for the Clerk of Court's OPEB Plan, the schedule of the Clerk of Court's proportionate share of net pension liability in the Louisiana Clerks of Court Retirement and Relief Fund, and the Schedule of Jefferson Parish Clerk of Court's contributions to the Louisiana Clerks of Court Retirement and Relief Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The supplementary information, as listed in the table of contents, is presented for additional analysis and is not a part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017 on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Clerk of Court's internal control over financial reporting and compliance.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

JEFFERSON PARISH CLERK OF COURT  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED JUNE 30, 2017*

Our discussion and analysis of the Jefferson Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

***USING THE ANNUAL REPORT***

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the Clerk of Court's finances. Fund financial statements start on page 15. For governmental activities, these statements show how these services were financed in short term as well as what remains for future spending. Fund financial statements also report the operation in more detail than the government-wide statements by providing information about the most significant funds.

***Government-Wide Financial Statements***

One of the most important questions asked about finances is, "Is the Jefferson Parish Clerk of Court as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information on the Clerk of Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in it. Net position-the difference between assets and deferred outflows and liabilities and deferred inflows is one way to measure the financial health or financial position of an entity. Over time, increases or decreases in net position are indicators of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the Jefferson Parish Clerk of Court.

JEFFERSON PARISH CLERK OF COURT  
*MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED*  
*FOR THE YEAR ENDED JUNE 30, 2017*

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds-not the Clerk of Court as a whole. Some funds are required to be established by State laws.

The Clerk of Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual 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 general government operations and the basic services it provides. Governmental fund information helps you 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. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

***FINANCIAL HIGHLIGHTS***

Our financial statements provide these insights into the results of this year's operations:

- As of June 30, 2017, liabilities exceeded assets by \$1,549,766 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  - (1) Invested in capital assets of \$560,800 including the cost of office equipment, furniture and fixtures, and automobiles, net of accumulated depreciation.
  - (2) Unrestricted net position of \$(2,110,566) representing the portion available to maintain the continuing obligations to citizens and creditors.
- The governmental fund reported total ending fund balance of \$13,200,162, of which \$13,184,140 was classified as unassigned and \$16,022 was classified as nonspendable.
- Total expenses for all judicial activities was \$17,938,113 for the year, which was \$543,224 less than the program revenues for these activities -\$18,481,337.

JEFFERSON PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017

***FINANCIAL HIGHLIGHTS*** - continued

The Statement of Net Position and the Statement of Activities report only one type of activity - governmental activities. All of the basic judicial services are reported as this type. Fines and fees charged to the public finance most of these services.

***FINANCIAL ANALYSIS OF THE JEFFERSON PARISH CLERK OF COURT AS A WHOLE.***

The Clerk of Court's net position increased by \$1,542,758 from June 30, 2016 to June 30, 2017, as a result of this year's operations.

The Clerk of Court's total revenues for the year in governmental activities were \$19,480,871 (\$18,481,337 in program revenues and \$999,534 in general revenues). The total cost of all judicial programs and services was \$17,938,113.

***FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS***

As we noted earlier, the Clerk of Court uses funds to help it control and manage money for particular purposes. Fund Analysis helps you consider whether the Clerk of Court is being accountable for the resources provided to it, but may also give you more insight into its overall financial health.

As the Clerk of Court completed the year, its governmental fund reported a fund balance of \$13,200,162. This reflects an increase of \$1,716,584 from last year.

JEFFERSON PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017

**FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS** - continued

The following is the Clerk's financial information for the current and prior years in condensed form.

JEFFERSON PARISH CLERK OF COURT  
CONDENSED STATEMENTS OF NET POSITION  
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets and Deferred Outflows of Resources:		
Current	\$ 14,915,584	\$ 13,124,251
Capital assets, net	<u>560,800</u>	<u>745,772</u>
Total assets	15,476,384	13,870,023
Deferred outflows of Resources	<u>6,999,506</u>	<u>3,644,790</u>
Total Assets and Deferred Outflows of Resources	<u>22,475,890</u>	<u>17,514,813</u>
Liabilities, Deferred Inflows of Resources, and Net Position:		
Current liabilities	1,982,950	1,915,953
Noncurrent liabilities	<u>21,009,338</u>	<u>16,767,861</u>
Total liabilities	22,992,288	18,683,814
Deferred Inflows of Resources	<u>1,033,368</u>	<u>1,923,523</u>
Total Liabilities and Deferred Inflows of Resources	<u>24,025,656</u>	<u>20,607,337</u>
Net Position:		
Net Investment in capital assets	560,800	745,772
Unrestricted	<u>(2,110,566)</u>	<u>(3,838,296)</u>
Total net position	<u>\$ (1,549,766)</u>	<u>\$ (3,092,524)</u>

JEFFERSON PARISH CLERK OF COURT  
CONDENSED STATEMENTS OF ACTIVITIES  
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Total revenues	\$ 19,480,871	\$ 19,745,262
Total expenses	<u>17,938,113</u>	<u>16,824,568</u>
Changes in net position	1,542,758	2,920,694
Net position, beginning of year	<u>(3,092,524)</u>	<u>(6,013,218)</u>
Net position, end of year	<u>\$ (1,549,766)</u>	<u>\$ (3,092,524)</u>

JEFFERSON PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund's June 30, 2017 fund balance was revised by \$648,932. Major budget amendments were approved as follows:

- (A) Budgeted revenues increased by \$467,294. The largest revisions were in fees transferred from advance deposit, which increased by \$301,118, and by intergovernmental income which increased by \$252,955. These adjustments were required to reflect actual trends.
- (B) Budgeted expenditures decreased \$181,638 mainly due to increased personal services and related benefits, increased intergovernmental activity, and decreased operating services.

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2017 was \$560,800.

This year there were \$103,858 of additions to capital assets. More detailed information about the capital assets is presented in Note (4) to the financial statements.

**DEBT**

At year-end, the Jefferson Parish Clerk of Court had \$826,027 of compensated absences, \$908,448 of other postemployment benefits, and \$19,542,391 of net pension liability.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Clerk of Court considered many factors when budgeting the fiscal year rates and fees that would be charged. One of those factors is new laws and regulations.

The June 30, 2018 budget assumes there will be no significant changes in the Clerk's operations and is based on the assumption that expenditures will approximate the same level as the fiscal year ended June 30, 2017.

Salaries are budgeted as \$450,600 higher for fiscal year ending June 30, 2018 and pension expense is budgeted as \$85,500 higher for fiscal year ending June 30, 2018 based on anticipated wage increases. Health insurance is budgeted as \$172,235 higher for fiscal year ending June 30, 2018 due to insurance rate increases. Capital expenditures are budgeted as \$393,846 higher for fiscal year ending June 30, 2018 and contract cost is budgeted as \$254,941 higher for fiscal year ending June 30, 2018.

**JEFFERSON PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017**

***CONTACTING FINANCIAL MANAGEMENT***

This financial report is designed to provide a general overview of the Jefferson Parish Clerk of Court's finances and to show the Clerk of Court's accountability for the money it receives. If you have questions about this report or need additional information, contact the Honorable Jon Gegenheimer, Jefferson Parish Clerk of Court, Gretna, LA at phone number 504-364-2914.

*FINANCIAL SECTION*

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Statement of Net Position  
June 30, 2017

	<u>ASSETS</u>	Governmental Activities
Assets:		
Cash and cash equivalents		\$ 13,205,253
Accounts receivable		1,211,543
Prepaid insurance		16,022
Due from Agency Funds		482,766
Capital assets, net of accumulated depreciation		<u>560,800</u>
Total assets		<u>15,476,384</u>
Deferred Outflows of Resources – Pension related		<u>6,999,506</u>
	<u>LIABILITIES</u>	
Liabilities:		
Accounts payable		1,234,660
Accrued payroll and related benefits		480,762
Non-current liabilities:		
Due within one year		267,528
Due in more than one year		<u>21,009,338</u>
Total liabilities		<u>22,992,288</u>
Deferred Inflows of Resources - Pension related		<u>1,033,368</u>
	<u>NET POSITION</u>	
Net Investment in Capital Assets		560,800
Unrestricted		<u>(2,110,566)</u>
Total net position (deficit)	\$	<u>(1,549,766)</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Statement of Activities  
For the Year Ended June 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grant and Contributions</u>	
Governmental Activities				
General government	\$ <u>17,938,113</u>	\$ <u>16,894,597</u>	\$ <u>1,586,740</u>	\$ <u>543,224</u>
				General Revenues:
				Miscellaneous 313,242
				Interest income <u>686,292</u>
				Total general revenues <u>999,534</u>
				Change in net position 1,542,758
				Net position (deficit) - beginning of year <u>(3,092,524)</u>
				Net position (deficit) - end of year <u>\$(1,549,766)</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2017

ASSETS

	<u>General Fund</u>
Cash and cash equivalents	\$ 13,205,253
Accounts receivable	1,211,543
Prepaid insurance	16,022
Due from Agency Funds	<u>482,766</u>
Total assets	\$ <u>14,915,584</u>

LIABILITIES

Accounts payable	\$ 1,234,660
Accrued payroll and related benefits	<u>480,762</u>
Total liabilities	<u>1,715,422</u>

FUND BALANCE

Nonspendable (prepaid insurance)	16,022
Unassigned	<u>13,184,140</u>
Total fund balance	<u>13,200,162</u>
Total liabilities and fund balance	\$ <u>14,915,584</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Reconciliation of the Balance Sheet - Governmental Fund  
to the Statement of Net Position  
June 30, 2017

Total fund balance - governmental fund (fund financial statement)		\$ 13,200,162
Amounts reported for <i>governmental activities</i> in the statement of net position (government-wide financial statements) are different because:		
The deferred outflows of contributions for the clerk employees' retirement system are not available resources and, therefore, are not reported in the governmental funds.		
		6,999,506
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of the assets are \$5,474,361, and the accumulated depreciation is \$4,913,561.		
		560,800
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Net pension liability	\$ (19,542,391)	
Compensated absences	(826,027)	
Other postemployment benefits	<u>(908,448)</u>	
		(21,276,866)
The deferred inflows of contributions for the clerk employees' retirement system are not payable from current expendable resources and, therefore, are not reported in the governmental funds		
		<u>(1,033,368)</u>
Total net position of governmental activities (government-wide financial statements)		\$ <u>(1,549,766)</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2017

REVENUES

Charges for services	\$ 16,825,348
Licenses and permits	69,249
Intergovernmental	478,666
Interest earnings	686,292
Other	<u>313,242</u>
Total revenues	<u>18,372,797</u>

EXPENDITURES

Personnel services and related benefits	13,789,436
Operating services	2,091,251
Materials and supplies	478,989
Travel and other	37,999
Capital outlay	103,858
Intergovernmental	<u>154,680</u>
Total expenditures	<u>16,656,213</u>
Excess of revenues over expenditures	1,716,584
Fund balance - beginning of year	<u>11,483,578</u>
Fund balance - end of year	\$ <u>13,200,162</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2017

Net change in fund balance - governmental fund (fund financial statements)	\$ 1,716,584
--	--------------

Amounts reported for *governmental activities* in the statement of activities (government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.

Asset purchases capitalized	\$ 103,858	
Depreciation expense	(279,711)	
Loss on disposal of assets	<u>(9,119)</u>	
		(184,972)

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

Increase in compensated absences	(16,296)	
Increase in other postemployment benefits	<u>(103,361)</u>	
		(119,657)

Pension expense not affecting the use of current economic resources and, therefore, not recorded as an addition to governmental fund expenditures	(977,271)
---	-----------

Nonemployer's contributions to the clerk employees' pension plan	<u>1,108,074</u>
--	------------------

Change in net position of governmental activities (government-wide financial statements)	\$ <u>1,542,758</u>
--	---------------------

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Combining Statement of Fiduciary Assets and Liabilities  
June 30, 2017

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 38,313,280	\$ 32,190,799	\$ 70,504,079
Securities deposited with the Clerk of Court	-0-	1,667,179	1,667,179
Due from Fee Fund	1,579,395	-0-	1,579,395
Receivables	<u>37,150</u>	<u>-0-</u>	<u>37,150</u>
Total Assets	<u>\$ 39,929,825</u>	<u>\$ 33,857,978</u>	<u>\$ 73,787,803</u>
<b><u>LIABILITIES</u></b>			
Due to Fee Fund	\$ -0-	\$ 2,062,161	\$ 2,062,161
Unsettled deposits	38,394,780	31,442,853	69,837,633
Other liabilities	<u>1,535,045</u>	<u>352,964</u>	<u>1,888,009</u>
Total liabilities	<u>\$ 39,929,825</u>	<u>\$ 33,857,978</u>	<u>\$ 73,787,803</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2017

INTRODUCTION

As provided by Articles V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as 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. The Clerk is solely responsible for operations of his office, which include the hiring and retention of employees, budgeting and the receipt and disbursement of funds. Accordingly, the Clerk is fiscally independent and a separate entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of the Jefferson Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principals are found in the Codification of Governmental Accounting and Financial Reporting Standards published by GASB.

B. Reporting Entity

The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Jefferson Parish Clerk of Court (Clerk of Court) is an independently elected official, and is legally separate and fiscally independent, the Clerk of Court is a separate governmental entity. There are unrecorded financial transactions between the Jefferson Parish Council (the Council) and the Clerk of Court where the Council provides office space and utilities for the Clerk of Court.

Financial accountability is determined by applying criteria established by the GASB as listed below:

- Financial benefit or burden
- Appointment of a voting majority
- Imposition of will
- Fiscally dependent

The above identified transactions between the Clerk of Court and the Parish Council are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

The Clerk of Court includes all funds, account groups, and activities, that are within the oversight responsibility of the Clerk of Court.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

*Governmental Fund*

Governmental funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. The Clerk of Court utilizes only one Governmental Fund - The General Fund.

*General Fund*

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

*Fiduciary Funds*

The fiduciary fund accounts for two agency funds, the Advance Deposit Fund and the Registry of Court Fund. Agency funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are custodial in nature (assets and liabilities) and do not involve measurement of results of operations. The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits in suits filed by litigants. The advances are refunded to the litigants after all costs are paid. The Registry of Court Fund, as provided by Louisiana Statute 13:475, is used to account for funds held by order of the court until judgment is rendered by the judiciary. Withdrawal of funds can be made only upon order of the court.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Measurement Focus/Basis of Accounting

Fund Financial Statements

The amounts reflected in the General Fund Statements on pages 15 and 17 are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on the balance sheet. The statements of revenues, expenditures, and changes in fund balance report on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. However, compensated absences, pension costs, and other postemployment benefits costs are recorded when payment is due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits are recorded when the income is available.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Measurement Focus/Basis of Accounting – (continued)

Deferred Inflows of Resources

Deferred inflows of resources arise when the Clerk receives resources before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Clerk has a legal claim to the resources, the liability for deferred inflows of resources is removed from the balance sheet and the revenue is recognized.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities (pages 13 and 14) display information about the Jefferson Parish Clerk of Court as a whole. These statements include all the financial activities of the Jefferson Parish Clerk of Court, except for the fiduciary funds. The government-wide financial statements are reported on the full accrual basis of accounting and the economic resources measurement focus. 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).

Program Revenues

Program revenues included in the Statement of Activities are (1) derived directly from users as a fee for services, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

General Revenues

Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budget Practices

The proposed budget for the 2017 fiscal year was made available for public inspection at the Clerk's office on June 8, 2016. The proposed budget, prepared on the modified-accrual basis of accounting, was published in the official journal ten days prior to the public hearing. The budget hearing was held at the Clerk's office on June 29, 2016. The budget is legally adopted and amended, as necessary, by the Clerk.

Formal budget integration (within the accounting records) is not employed as a management control device. The adopted operating budget of expenditures operates as an appropriation and amounts are available for expenditure only to the extent included within the budget. All appropriations lapse at year end. Budget amounts included in the required supplemental information are as adopted on June 29, 2016, and as amended on May 31, 2017. Outstanding encumbrances which are not canceled are included as part of the next year's budget.

F. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and cash on hand. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. If the original maturities of time deposits or investments exceed 90 days, they are classified as investments. Investments are stated at cost which approximates market. Under state law, the Clerk may deposit funds in 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.

G. Compensated Absences

Employees of the Clerk of Court's office earn vacation leave at the rate of 10 to 20 working days per year depending upon the length of service. Vacation leave must be taken in the year following the year earned and cannot be carried over to successive years. Exceptions are made to allow a carry over of vacation subject to approval.

In lieu of sick leave, employees of the Clerk of Court's office earn 7.00 hours per month of service as personal leave. An employee may accumulate up to thirty-six days personal leave and may carry over personal leave into succeeding service years.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

G. Compensated Absences – (continued)

Upon termination or retirement, employees are paid for all unused vacation leave, skeleton leave, and comp time. No unused personal leave is paid at termination or retirement.

The entire compensated absences liability is reported on the government-wide financial statements.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The capitalization policy includes all items with a unit cost of \$500 or more.

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>Description</u>	<u>Estimated Lives</u>
Office Equipment	5-7 years
Furniture and fixtures	7-10 years
Automobiles	5 years

I. 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 at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

J. Fund Balance

In the Balance Sheet of Governmental Funds, fund balances are segregated as follows:

- a. 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.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Clerk of Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

The Clerk applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The Clerk does not have a formal minimum fund balance policy.

K. Net Position

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a. Net Investment in capital assets, - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

K. Net Position – (continued)

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

L. Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the Louisiana Clerks’ of Court Retirement and Relief Fund, and additions to/deductions from the system’s fiduciary net position have been determined on the same basis as they are reported by the system. 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.

M. Prepaid Expenses

Prepaid expenses are recorded in the year that the expenditure is accrued using the consumption method.

N. Interfund Receivable and Payable Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent) portion are reported as “advances from and to other funds.”

2. SECURITIES DEPOSITED WITH CLERK OF COURT

Securities deposited with the clerk of court, stated at \$1,667,179, represent securities (principally stocks and bonds) which the courts have ordered to be held by the Clerk of Court until judgment has been rendered in court litigation. The carrying value of these securities is the amount assigned by the court. These securities are held in the Clerk of Court's vault and may only be released to litigants upon order of the court.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2017, the Clerk of Court had cash and cash equivalents (book balances) totaling \$83,709,332 as follows:

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Petty cash and on hand	\$ 4,215	\$ -0-	\$ 4,215
Demand deposits	<u>13,201,038</u>	<u>70,504,079</u>	<u>83,705,117</u>
 Total	 <u>\$13,205,253</u>	 <u>\$70,504,079</u>	 <u>\$83,709,332</u>

These deposits 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. At June 30, 2017, the Clerk had \$85,010,619 in deposits (collected bank balances). These deposits were fully covered by federal depository insurance, pledged securities and or a line of credit. The pledged securities are held by the custodial bank in the name of the fiscal agent bank.

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Clerk of Court will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. As of June 30, 2017, the Clerk of Court's total bank balances were fully insured and collateralized with securities held in joint custody. The Clerk has no formal policy regarding custodial credit risk.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

4. CAPITAL ASSETS

Capital assets and depreciation activity for the year follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Furniture and fixtures	\$ 727,975	\$ 3,990	\$ 16,452	\$ 715,513
Office equipment	4,629,955	99,868	91,091	4,638,732
Automobiles	<u>120,116</u>	<u>-0-</u>	<u>-0-</u>	<u>120,116</u>
 Total	 <u>5,478,046</u>	 <u>103,858</u>	 <u>107,543</u>	 <u>5,474,361</u>
 Less accumulated depreciation				 <u>4,913,561</u>
 Net capital assets				 <u>\$ 560,800</u>

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

5. RECEIVABLES

The receivables of \$1,248,693 at June 30, 2017 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Customer accounts receivable	\$ 801,721	\$ 37,150	\$ 838,871
Criminal fees	81,352	-0-	81,352
Court attendance	42,020	-0-	42,020
Family Support fees	70,388	-0-	70,388
Others	<u>216,062</u>	<u>-0-</u>	<u>216,062</u>
 Total	 <u>\$ 1,211,543</u>	 <u>\$ 37,150</u>	 <u>\$ 1,248,693</u>

An allowance for doubtful receivables is not required because all receivables are considered collectible.

6. PENSION PLAN

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

The System 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.

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

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

6. PENSION PLAN – Continued

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  $3\frac{1}{3}$  percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

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

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:

- a. 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.
- b. 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.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

6. PENSION PLAN – Continued

Disability Benefits – (continued) - 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:

- a. The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- b. The member has a 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:

- a. Forty percent of their monthly average final compensation.
- b. 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  $\frac{1}{4}$  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  $\frac{1}{2}$  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.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

6. PENSION PLAN – Continued

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

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

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. Interest accruals cease upon termination of employment. 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 order to grant any cost of living increase, the Fund must meet criteria as detailed in the Louisiana statutes related to funding status.

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.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

6. PENSION PLAN – Continued

Employer Contributions – According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2017, the actual employer contribution rate was 19%.

In accordance with state statute, the Fund also 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. Non-employer contributions are recognized as revenue during the year and excluded from pension expense.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the Jefferson Parish Clerk of Court reported a liability of \$19,542,391 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2016 measurement date, the Clerk's proportion was 10.563602%, which was an increase of .278268% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Clerk recognized pension expense of \$2,760,284. At June 30, 2017, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 199,433	\$ 665,177
Change of assumptions	1,203,573	-0-
Change in proportion and differences between the employer's contribution and the employer's proportionate share of contributions	439,402	368,191
Net differences between projected and actual earnings on pension plan investments	3,371,708	-0-
Employers contributions subsequent to the measurement date	<u>1,785,390</u>	<u>-0-</u>
Total	<u>\$ 6,999,506</u>	<u>\$ 1,033,368</u>

Deferred outflows of resources of \$1,785,390 related to pensions resulting from the Clerk'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>	
2018	\$ (798,802)
2019	(798,802)
2020	(1,566,516)
2021	(1,016,628)
Total	<u>\$ (4,180,748)</u>

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

6. PENSION PLAN – Continued

Actuarial Methods and Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	5.00%
Inflation rate	2.5%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females) RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table (set forward 1 year for males)
Expected remaining service lives	2016 – 5 years 2015 – 5 years 2014 – 5 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2016 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014 unless otherwise specified.

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014.

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

6. PENSION PLAN – Continued

Actuarial Methods and Assumptions – (continued) - 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 7.20% for the year ended June 30, 2016.

The 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed Income:		
Core fixed income	5.0%	1.00%
Core plus fixed income	15.0%	1.50%
Domestic Equity:		
Large cap domestic equity	21.0%	4.25%
Non-large cap domestic equity	7.0%	4.00%
International Equity:		
Large cap international equity	15.5%	5.25%
Small cap international equity	5.0%	5.00%
Emerging markets	6.5%	7.25%
Real Estate	10.0%	4.75%
Master Limited Partnerships	5.0%	6.50%
Hedge Funds	10.0%	3.50%
	<u>100.0%</u>	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on 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 to Changes in Discount Rate – The following presents the net pension liability of the Jefferson Parish Clerk of Court calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 6.00%, or one percentage point higher, 8.00%, than the current rate as of June 30, 2016.

	<u>Changes in Discount Rate</u>		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	<u>\$ 27,808,458</u>	<u>\$ 19,542,391</u>	<u>\$ 12,526,160</u>

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

6. PENSION PLAN – Continued

Support of Non-employer Contributing Entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Jefferson Parish Clerk of Court recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the Jefferson Parish Clerk of Court recognized revenue as a result of support received from non-employer contributing entities of \$1,108,074 for its participation in the Louisiana Clerk of Court Retirement and Relief Fund.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports for the Louisiana Clerk of Court Retirement and Relief Fund and can be obtained on the plan's website or on the Louisiana Legislative Auditor's website: [www.la.gov](http://www.la.gov).

Payables to the Pension Plan – As of June 30, 2017, the Clerk reported a payable of \$286,594 for the outstanding contributions required as of this date.

7. OPERATING LEASES

The Jefferson Parish Clerk of Court paid lease expense for office equipment and office space during the year ended June 30, 2017 in the amount of \$60,436. The Clerk of Court does not have any noncancellable operating or capital leases as of June 30, 2017.

8. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2017.

	<u>Balance</u> <u>7/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2017</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated absences	\$ 809,731	\$ 16,296	\$ -0-	\$ 826,027	\$ 267,528
Other postemployment benefits	805,087	290,060	186,699	908,448	-0-
Net pension liability	<u>15,428,323</u>	<u>4,114,068</u>	<u>-0-</u>	<u>19,542,391</u>	<u>-0-</u>
	<u>\$ 17,043,141</u>	<u>\$ 4,420,424</u>	<u>\$ 186,699</u>	<u>\$ 21,276,866</u>	<u>\$ 267,528</u>

The additions and reductions to compensated absences during 2017 represent the net change during the year because the additions and reductions could not be readily determined.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

9. LITIGATION AND CLAIMS

The Clerk of Court is a defendant in several lawsuits claiming damages of various amounts. In the estimation of legal advisors of the Clerk of Court, the ultimate resolution of these suits would not materially affect the financial statements.

Claims and litigation costs of \$237,861 were incurred in the current year, which has been recorded as a current-year expenditure in the General Fund.

10. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL

A portion of the Clerk of Court's office space is located in the parish courthouse which is owned by the parish council. The parish council provided a portion of utilities and maintenance for the operation of the Clerk of Court's office. In addition to these items, the parish council paid \$347,378 for office supplies, equipment, and fees. These expenditures are not reflected in the accompanying financial statements.

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Jefferson Parish Clerk of Court established a Group Insurance Plan, providing for payment of a portion of health care insurance premiums and life insurance premiums for eligible retired employees. The Group Insurance Plan is a single-employer defined benefit health care plan administered by the Jefferson Parish Clerk of Court which provides medical and life insurance to eligible retirees. The Jefferson Parish Clerk of Court has the authority to establish and amend plan benefit provisions. The Jefferson Parish Clerk of Court's medical and life insurance benefits are provided to employees upon actual retirement. Retirees are eligible for these benefits if they retire from the Jefferson Parish Clerk of Court with at least 12 years of service. The Clerk pays a portion of the retirees premium for these benefits. At June 30, 2017, 113 retirees were receiving postemployment benefits.

The employer effectively pays 50% of the premium for medical coverage until age 65. Coverage ceases at age 65, unless the retiree is not medicare eligible. The employer also pays for life insurance coverage after retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are 55 and 12 years of service, but most employees have historically waited until 25 years of service. Employees hired on and after January 1, 2011 may not retire (or enter D.R.O.P.) until age 60 and 12 years of service.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

11. OTHER POSTEMPLOYMENT BENEFITS - continued

Plan Description. – (continued) - Life insurance coverage is continued in the amount of \$10,000 to retirees, with certain existing retirees having higher amounts. The employer pays for life insurance after retirement, but it is based on a blended rate. Since GASB 45 requires the use of “unblended” rates, we have used the 94GAR mortality table described below to “unblend” the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates – Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. Eligible retirees can participate in the health plan until age 65 then they must drop off the employer sponsored plan, unless they are not medicare eligible. The Jefferson Parish Clerk of Court offers one health plan for both active and retired employees: Humana National POS. Retirees pay 50% of the fully insured premiums. Eligible retirees are able to continue a portion of the term life benefits to death but must pay 50% of the premium. For fiscal year 2017, the Clerk of Court paid a monthly premium ranging from \$393.42 to \$778.97 for each retiree’s medical coverage. The monthly premium for life insurance ranged from \$12.70 to \$31.75 for each retiree. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy –In 2017 and 2016 the Jefferson Parish Clerk of Court’s portion of health care and life insurance funding cost for retired employees totaled \$186,699 and \$179,915, respectively.

Effective July 1, 2008, the Jefferson Parish Clerk of Court implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Jefferson Parish Clerk of Court’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the postemployment benefits. The actuarially computed ARC is as follows:

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

11. OTHER POSTEMPLOYMENT BENEFITS – continued

Annual Required Contribution – (continued)

	2017
Normal Cost	\$ 95,211
30-Year UAL Amortization Amount	209,204
Annual Required Contribution (ARC)	\$ 304,415

Net Postemployment Benefit Obligation (Asset) – The table below shows the Jefferson Parish Clerk of Court’s Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ended June 30, 2017:

Annual Required Contribution	\$ 304,415
Interest On Net OPEB Obligation	32,203
ARC Adjustment	(46,558)
OPEB Cost	290,060
Current Year Retiree Premium	(186,699)
Change In Net OPEB Obligation	103,361
Beginning Net OPEB Obligation	805,087
Ending Net OPEB Obligation	\$ 908,448

The following table shows the Jefferson Parish Clerk of Court’s annual other postemployment benefits (OPEB) cost, percentage of the cost contributed, and the net other postemployment benefits (OPEB) liability:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$290,060	64.37%	\$908,448
June 30, 2016	\$312,241	57.62%	\$805,087
June 30, 2015	\$302,188	55.13%	\$672,761

Funded Status and Funding Progress –In 2017 and 2016, the Jefferson Parish Clerk of Court made no contributions to its other postemployment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$3,762,281 which is defined as that portion, as determined by a particular actuarial cost method (the Jefferson Parish Clerk of Court uses the Projected Unit Credit Cost Method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

11. OTHER POSTEMPLOYMENT BENEFITS – continued

Funded Status and Funding Progress – (continued)

Actuarial Accrued Liability (AAL)	\$ 3,762,281
Actuarial Value of Plan Assets (AVP)	<u>-0-</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 3,762,281</u>
Funded Ratio (AVP/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 9,384,760
UAAL as a Percentage of Covered Payroll	40.09%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for other postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Jefferson Parish Clerk of Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Jefferson Parish Clerk of Court and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Jefferson Parish Clerk of Court and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50 will be used.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

11. OTHER POSTEMPLOYMENT BENEFITS – continued

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%. Based on past experience, we have also assumed that 25% of retirees decline health coverage because of the amount of the retiree contribution required.

Postemployment Benefit Plan Eligibility Requirements – Although employees may retire at age 55 and 12 years of service, historically they have tended to wait until later to enter the D.R.O.P. To accommodate this historical tendency, we have assumed that actual retirement (and commencement of OPEB benefits) occurs three years after D.R.O.P. entry, which is assumed to occur at 25 years of service, but not beyond age 80. As, noted earlier, employees hired on or after January 1, 2011 may not retire or enter D.R.O.P. until age 60 and 12 years of service. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

Mortality Rate – The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "unblended" rates for retired before Medicare eligibility as required by GASB 45 for valuation purposes.

Inflation Rate – Included in both the Investment Return Assumption and the Healthcare Cost Trend Rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases – This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

11. OTHER POSTEMPLOYMENT BENEFITS – continued

Post Retirement Benefit Increases – The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal years.

	<u>OPEB Costs and Contributions</u>		
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
OPEB Cost	\$ 302,188	\$ 312,241	\$ 290,060
Contribution	-0-	-0-	-0-
Retiree premium	<u>166,588</u>	<u>179,915</u>	<u>186,699</u>
Total contribution and premium	<u>166,588</u>	<u>179,915</u>	<u>186,699</u>
Change in net OPEB obligation	<u>\$ 135,600</u>	<u>\$ 132,326</u>	<u>\$ 103,361</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	55.13%	57.62%	64.37%

12. EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund balance that exceeds one-half of the revenues of the Clerk's last year of his term of office limited to capital outlay expenditures during the term. At June 30, 2017, there was \$110,191 due the parish treasurer, which is recorded as accounts payable. For the fiscal year ended June 30, 2017, there was no additional amount due the parish treasurer as this was not the last year of the Clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

13. DEFERRED COMPENSATION PLAN

The Clerk offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Clerk employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Clerk did not make any contributions to the plan during the year ended June 30, 2017.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes to the Financial Statements - continued  
As of and for the Year Ended June 30, 2017

13. DEFERRED COMPENSATION PLAN - continued

In 1996, the U.S. Congress passed the Small Business Job Protection Act of 1996, which requires that employer governments place all amounts deferred under IC Section 457 into a trust for the exclusive benefit of participants and their beneficiaries. In prior years, these assets were solely the property of the Clerk and subject to claims of general creditors, and were reported in the Clerk's financial statements. During 1998, the Clerk amended its plan to comply with the requirements of the Act. Thus, the Clerk no longer has ownership of the Plan assets and they are no longer reported in the financial statements.

14. FUND BALANCE

As of June 30, 2017, the Clerk has an unassigned fund balance of \$13,184,140. Prepaid insurance of \$16,022 is considered nonspendable fund balance.

15. INTERFUND RECEIVABLE AND PAYABLE BALANCES

The individual fund interfund receivable and payable balances as of June 30, 2017 are as follows:

Fund	Interfund Receivables	Interfund Payables
Fee Fund	\$ 482,766	\$ -0-
Fiduciary Funds:		
Advance Deposit Fund	1,579,395	-0-
Registry of Court Fund	-0-	2,062,161
	<u>\$ 2,062,161</u>	<u>\$ 2,062,161</u>

*Required Supplementary Information*

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Required Supplementary Information  
Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Marriage licenses and permits	\$ 76,596	\$ 69,332	\$ 69,249	\$ (83)
Charges for services:				
Court costs, fees, and charges	1,842,719	1,659,923	1,671,548	11,625
Fees for:				
Recording legal documents	5,503,068	5,415,661	5,411,612	(4,049)
Certified copies of documents	1,090,459	1,231,534	1,335,755	104,221
Fees transferred from advanced deposit funds	7,263,207	7,564,325	7,490,348	(73,977)
Miscellaneous	117,013	850,557	916,085	65,528
Interest	548,349	571,919	686,292	114,373
Miscellaneous	1,005,589	298,088	313,242	15,154
Intergovernmental	<u>214,000</u>	<u>466,955</u>	<u>478,666</u>	<u>11,711</u>
Total revenues	<u>17,661,000</u>	<u>18,128,294</u>	<u>18,372,797</u>	<u>244,503</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Personal services & related benefits	13,716,681	13,823,358	13,789,436	33,922
Operating services	2,340,340	2,079,986	2,091,251	(11,265)
Materials & supplies	457,692	446,443	478,989	(32,546)
Travel and other				
Charges	70,422	35,457	37,999	(2,542)
Capital outlay	200,000	156,154	103,858	52,296
Intergovernmental	<u>98,189</u>	<u>160,288</u>	<u>154,680</u>	<u>5,608</u>
Total expenditures	<u>16,883,324</u>	<u>16,701,686</u>	<u>16,656,213</u>	<u>45,473</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	777,676	1,426,608	1,716,584	289,976
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>11,024,092</u>	<u>11,483,578</u>	<u>11,483,578</u>	<u>-0-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 11,801,768</u>	<u>\$ 12,910,186</u>	<u>\$ 13,200,162</u>	<u>\$ 289,976</u>

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Required Supplementary Information  
Schedule of Funding Progress for  
Clerk's OPEB Plan  
June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll {(b-a/c)}
July 1, 2016	-	\$ 3,762,281	\$ 3,762,281	- %	\$ 9,384,760	40.09%
July 1, 2014 Projected to July 1, 2015	-	\$ 4,001,894	\$ 4,001,894	- %	\$ 9,615,514	41.62%
July 1, 2014	-	\$ 3,847,975	\$ 3,847,975	- %	\$ 9,270,011	41.51%

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Schedule of Clerk's Proportionate Share of Net Pension Liability  
For the Year Ended June 30, 2017

Fiscal Year Ended June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	10.563602%	\$ 19,542,391	\$ 9,641,856	202.7%	74.17%
2016	10.285334%	\$ 15,428,313	\$ 9,305,144	165.8%	78.13%
2015	10.172732%	\$ 13,721,609	\$ 9,204,164	149.1%	79.37%

\* The amounts presented have a measurement date of the previous fiscal year end.

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

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Schedule of Clerk's Contributions  
For the Year Ended June 30, 2017

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2017	\$ 1,785,390	\$ 1,785,390	\$ -	\$ 9,403,999	18.9%
2016	\$ 1,832,793	\$ 1,832,793	\$ -	\$ 9,641,856	19.0%
2015	\$ 1,768,112	\$ 1,768,112	\$ -	\$ 9,305,144	19.0%

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

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Notes To Required Supplementary Information  
For the Year Ended June 30, 2017

1. BUDGETARY BASIS OF ACCOUNTING

The General Fund budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with the accounting principles generally accepted in the United States of America.

2. PENSION

Changes in Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

Amounts reported in fiscal year ended June 30, 2015 for Louisiana Clerks' of Court Retirement and Relief Fund reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for Louisiana Clerks' of Court Retirement and Relief Fund was reduced by 0.25% to 7.00% as of the valuation date June 30, 2015. Other changes are as follows:

Valuation Date	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Inflation Rate	2.50%	2.75%
Project Salary Increases	5.00%	5.75%
	(2% Inflation, 2.50% Merit)	(2.75% Inflation, 3.00% Merit)

*Other Supplementary Information*

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

All Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Advance Deposit Funds</u>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 42,294,377	\$ 19,983,463	\$ 23,964,560	\$ 38,313,280
Due from Fee Fund	610,445	7,065,868	6,096,918	1,579,395
Receivables	<u>37,616</u>	<u>19,000</u>	<u>19,466</u>	<u>37,150</u>
Total Assets	<u>\$ 42,942,438</u>	<u>\$ 27,068,331</u>	<u>\$ 30,080,944</u>	<u>\$ 39,929,825</u>
<b>LIABILITIES:</b>				
Unsettled deposits	41,566,622	13,707,850	16,879,692	38,394,780
Other liabilities	<u>1,375,816</u>	<u>159,229</u>	<u>-0-</u>	<u>1,535,045</u>
Total Liabilities	<u>\$ 42,942,438</u>	<u>\$ 13,867,079</u>	<u>\$ 16,879,692</u>	<u>\$ 39,929,825</u>
<u>Registry of Court Fund</u>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 27,776,192	\$ 12,231,581	\$ 7,816,974	\$ 32,190,799
Securities deposited with the Clerk of Court	<u>1,205,228</u>	<u>461,951</u>	<u>-0-</u>	<u>1,667,179</u>
Total Assets	<u>\$ 28,981,420</u>	<u>\$ 12,693,532</u>	<u>\$ 7,816,974</u>	<u>\$ 33,857,978</u>
<b>LIABILITIES:</b>				
Due to Fee Fund	\$ 1,946,932	\$ 127,316	\$ 12,087	\$ 2,062,161
Unsettled deposits	26,765,022	12,175,605	7,497,774	31,442,853
Other liabilities	<u>269,466</u>	<u>83,498</u>	<u>-0-</u>	<u>352,964</u>
Total Liabilities	<u>\$ 28,981,420</u>	<u>\$ 12,386,419</u>	<u>\$ 7,509,861</u>	<u>\$ 33,857,978</u>
<u>Total – All Agency Funds</u>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 70,070,569	\$ 32,215,044	\$ 31,781,534	\$ 70,504,079
Securities deposited with the Clerk of Court	1,205,228	461,951	-0-	1,667,179
Due from Fee Fund	610,445	7,065,868	6,096,918	1,579,395
Receivables	<u>37,616</u>	<u>19,000</u>	<u>19,466</u>	<u>37,150</u>
Total Assets	<u>\$ 71,923,858</u>	<u>\$ 39,761,863</u>	<u>\$ 37,897,918</u>	<u>\$ 73,787,803</u>
<b>LIABILITIES:</b>				
Due to Fee Fund	\$ 1,946,932	\$ 127,316	\$ 12,087	\$ 2,062,161
Unsettled deposits	68,331,644	25,883,455	24,377,466	69,837,633
Other liabilities	<u>1,645,282</u>	<u>242,727</u>	<u>-0-</u>	<u>1,888,009</u>
Total Liabilities	<u>\$ 71,923,858</u>	<u>\$ 26,253,498</u>	<u>\$ 24,389,553</u>	<u>\$ 73,787,803</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

Schedule of Compensation, Benefits, and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2017

Agency Head Name/Title: Jon A. Gegenheimer, Clerk of Court

<u>Purpose</u>	
Salary	\$ 173,819
Benefits – Insurance	10,810
Benefits – Retirement	33,026
Benefits – Medicare	2,464
Conference Travel	6,376
Registration Fees	4,188
Other	<u>3,406</u>
	<u>\$ 234,089</u>



Duplantier  
Hrapmann  
Hogan &  
Maher, LLP

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*

William G. Stamm, CPA  
Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA  
David A. Burgard, CPA  
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA  
(1919-1985)  
Felix J. Hrapmann, Jr., CPA  
(1919-1990)  
William R. Hogan, Jr., CPA  
(1920-1996)  
James Maher, Jr., CPA  
(1921-1999)

**New Orleans**  
1615 Poydras Street,  
Suite 2100  
New Orleans, LA 70112  
Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**  
1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**  
247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**  
5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

December 22, 2017

Honorable Jon A. Gegenheimer  
Jefferson Parish Clerk of Court  
Gretna, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Clerk of Court's basic financial statements and have issued our report thereon dated December 22, 2017.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk of Court's internal control over financial reporting 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 of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk of Court's internal control.

[www.dhmcpa.com](http://www.dhmcpa.com)

Members  
American Institute of  
Certified Public Accountants  
Society of LA CPAs

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clerk of Court's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material 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 of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 of Court'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 of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

New Orleans, Louisiana

JEFFERSON PARISH CLERK OF COURT  
Gretna, Louisiana

SUMMARY SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2017

SUMMARY OF AUDITOR'S RESULTS:

1. An unmodified opinion was issued on the governmental activities major fund and the fiduciary funds of the Clerk for the year ended June 30, 2017.
2. Findings Required To Be Reported Under Generally Accepted Governmental Auditing Standards:  
None
3. Internal Control over Financial Reporting:  
Material weaknesses: None  
Significant deficiencies: None
4. Noncompliance material to the financial statements:  
None
5. Prior Year Findings:  
None

JEFFERSON PARISH CLERK OF COURT  
INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES  
FOR THE PERIOD JULY 1, 2016  
THROUGH JUNE 30, 2017



Duplantier  
Hrapmann  
Hogan &  
Maher, LLP

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

December 15, 2017

William G. Stamm, CPA  
Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

Honorable Jon A. Gegenheimer  
Jefferson Parish Clerk of Court  
Gretna, Louisiana

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA  
David A. Burgard, CPA  
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA  
(1919-1985)

Felix J. Hrapmann, Jr., CPA  
(1919-1990)

William R. Hogan, Jr., CPA  
(1920-1996)

James Maher, Jr., CPA  
(1921-1999)

**New Orleans**  
1615 Poydras Street,  
Suite 2100  
New Orleans, LA 70112  
Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**  
1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**  
247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**  
5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

We have performed the procedures enumerated below which were agreed to by the Jefferson Parish Clerk of Court (Clerk of Court) and the Louisiana Legislative Auditor, on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures for the period July 1, 2016 through June 30, 2017. The Clerk of Court's management is responsible for the control and compliance areas identified in the Statewide Agreed Upon Procedures.

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 parties. Consequently, we make no representation regarding the sufficiency of these 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) We obtained the entity's written policies and procedures and determined whether those written policies and procedures addressed each of the following financial/business functions, as applicable:
  - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

[www.dhhmcpa.com](http://www.dhhmcpa.com)

Members  
American Institute of  
Certified Public Accountants  
Society of LA CPAs

**Written Policies and Procedures** (Continued)

- 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.
- c) Disbursements, including processing, reviewing, and approving.
- d) Receipts, including receiving, recording, and preparing deposits.
- e) Payroll/Personnel, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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, and (5) monitoring card usage.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Upon applying the agreed upon procedures above, we noted the Clerk of Court has written policies and procedures for all applicable section above except for debt service. However, the Clerk of Court is not allowed to issue debt, therefore, a debt service policy would not be applicable.

**Management's Response**

The Clerk of court is not allowed to issue debt, therefore a debit service policy would not be applicable.

**Board**

- 2) We obtained and reviewed the board/committee minutes for the fiscal period, and:
  - a) Determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
  - c) Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The above procedure is not applicable. The Clerk of Court does not have a Board or Finance Committee.

**Bank Reconciliations**

- 3) We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

No findings were noted as a result of applying the procedure above.

- 4) Using the listing provided by management, we selected one-third of the entity's bank accounts on a rotating basis. For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation; and
  - c) Management had documentation reflecting that it had researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Upon applying the procedure above, we noted that, for one bank account, the bank reconciliations did not have written approval, from a member of management, for the period tested.

**Management's Response**

The procedure has been amended for a supervisor to approve the reconciliation for all accounts.

Collections

- 5) We obtained a listing of cash/ check/ money order (cash) collection locations and management's representation that the listing was complete.

No findings were noted as a result of applying the procedure above.

- 6) Using the cash collection listing provided by management, we selected all of the entity's cash collection locations. For each cash location selected:
- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash was (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who was not responsible for cash collections in the cash collection location selected.
  - c) We selected the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - i. Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.
    - ii. Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections were completely supported by documentation and report any exceptions.

Upon applying the procedure above, we noted that the employees responsible for receiving cash/checks were not bonded. We also noted three instances in which collections were not deposited within one day of receipt. We observed two receipts that were deposited two days after collection and one receipt that was deposited four days after collection.

Management's Response

Most cash receipts are deposited within one day. The deposits that are not deposited within one day are because of remote location or the inability to reconcile. Those deposits are stored in a locked safe and deposited within two business days. The Clerk is working with the insurance provider in order to get the employees bonded.

**Collections** (Continued)

- 7) We obtained existing written documentation (e.g. policy manual, written procedure) and determined whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who was not responsible for collections.

Upon applying the procedure above, we noted that the cash receipts policy did not include a process specifically defined (identified by the entity) to determine completeness of all collections.

**Management's Response**

Our written policy requires the Clerk responsible for receiving the cash to reconcile daily to the computer generated report. The policy requires that the cash and the report to be sent to the accounting department, who reviews the reconciliations before depositing the funds. As a final determination of completeness, the bank accounts are reconciled monthly.

**Disbursements – General (excluding credit card purchases or payments)**

- 8) We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We also obtained management's representation that the listing or general ledger population was complete.

No findings were noted as a result of applying the procedure above.

- 9) Using the disbursement population from agreed upon procedure number 8 above, we randomly selected 25 disbursements excluding credit card/ debit card/ fuel card/ P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/ logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

No findings were noted as a result of applying the procedure above.

**Disbursements – General (excluding credit card purchases or payments)** (Continued)

- 10) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the person responsible for processing payments was prohibited from adding vendors to the entity's purchasing/disbursement system.

No findings were noted as a result of applying the procedure above.

- 11) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No findings were noted as a result of applying the procedure above.

- 12) We inquired of management and observed whether the supply of unused checks was maintained in a locked location, with access restricted to those persons that do not have signatory authority, and noted any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and determined whether the persons with signatory authority have system access to print checks.

No findings were noted as a result of applying the procedure above.

- 13) When signature stamp or signature machine was used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

No findings were noted as a result of applying the procedure above.

**Credit Cards**

- 14) We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We also obtained management's representation that the listing was complete.

No findings were noted as a result of applying the procedure above.

- 15) Using the listing prepared by management, we randomly selected one-third of the credit cards (the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

**Credit Cards** (Continued)

- a) Determined whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Determined whether finance charges and/or late fees were assessed on the selected statements.

No findings were noted as a result of applying the procedure above.

16) Using the monthly statements or combined statements selected under agreed upon procedure number 15 above, we obtained supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

- a) For each transaction, we determined that the transaction was supported by:
  - i. An original itemized receipt (i.e., identifies precisely what was purchased).
  - ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction was a large or recurring purchase requiring the solicitation of bids or quotes) and noted any exceptions.
- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

No findings were noted as a result of applying the procedure above.

**Travel and Expense Reimbursement**

17) We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sorted/filtered for travel reimbursements. We also obtained management's representation that the listing and general ledger was complete.

**Travel and Expense Reimbursement** (Continued)

No findings were noted as a result of applying the procedure above.

- 18) We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and determined any amounts that exceed GSA rates.

No findings were noted as a result of applying the procedure above.

- 19) Using the listing from agreed upon procedure number 17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity did not have written policies, we compared to the GSA rates (#18 above) and determined each reimbursement that exceeded those rates.
- b) We determined whether each expense was supported by:
  - i. An original itemized receipt that identified precisely what was purchased. (Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) did not require a receipt.)
  - ii. Documentation of the business/ public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.
- d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No findings were noted as a result of applying the procedure above.

**Contracts**

- 20) We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We also obtained management's representation that the listing or general ledger was complete.

No findings were noted as a result of applying the procedure above.

- 21) Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:

- a) Determined whether there was a formal/written contract that supported the services arrangement and the amount paid.
- b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We determined whether each contract was subject to the Louisiana Public Bid Law or Procurement Code and:
  - i. If yes, we obtained/ compared supporting contract documentation to legal requirements and determined whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
  - ii. If no, we obtained supporting contract documentation and determined whether the entity solicited quotes as a best practice.
- c) Determined whether the contract was amended. If so, we determined the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and determined whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtained/ reviewed contract documentation and board minutes and determined whether there was documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No findings were noted as a result of applying the procedure above.

**Payroll and Personnel**

- 22) We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. We randomly selected five employees/officials, obtained their personnel files, and:

- a) Reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

**Payroll and Personnel** (Continued)

- b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

No findings were noted as a result of applying the procedure above.

- 23) We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected one-third of employees/officials and:

- a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Determined whether there was written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Determined whether there was written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No findings were noted as a result of applying the procedure above.

- 24) We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list was complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No findings were noted as a result of applying the procedure above.

- 25) We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We determined whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No findings were noted as a result of applying the procedure above.

**Ethics**

- 26) Using the five randomly selected employees/officials from agreed upon procedure number 22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

No findings were noted as a result of applying the procedure above.

- 27) We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed documentation that demonstrated whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. We determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No findings were noted as a result of applying the procedure above.

**Debt Service (excluding nonprofits)**

- 28) For debt that was issued during the fiscal period, we obtained supporting documentation from the entity, and determined whether State Bond Commission approval was obtained.

No findings were noted as a result of applying the procedure above.

- 29) For the outstanding debt during the fiscal period, we obtained supporting documentation from the entity and determined whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

No findings were noted as a result of applying the procedure above.

- 30) For the tax millages relating to debt service, we obtained supporting documentation and determined whether millage collections exceeded debt service payments by more than 10% during the fiscal period. Also, we determined any millages that continued to be received for debt that has been paid off.

No findings were noted as a result of applying the procedure above.

**Other**

- 31) We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and determined whether the entity reported the misappropriation to the Legislative Auditor and the District Attorney of the parish in which the entity is domiciled.

No findings were noted as a result of applying the procedure above.

Other (Continued)

- 32) We observed and determined whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No findings were noted as a result of applying the procedure above.

- 33) When the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, the practitioner reported the nature of each exception.

No findings were noted as a result of applying the procedure above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the Statewide Agreed Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed Upon-Procedures, 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.

New Orleans, Louisiana

*Duplantier, Haysmann, Hogan & Porter LLP*