

JEFFERSON PARISH CLERK OF COURT

Gretna, Louisiana

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
Annual Financial Report
For the Year Ended June 30, 2018

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Gretna, Louisiana
Annual Financial Report
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INDEPENDENT AUDITOR'S REPORT

December 20, 2018

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, 2018, 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.

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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, 2018, 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.

Emphasis of Matter

As disclosed in Note 15 to the financial statements, for the year ended June 30, 2018, the Clerk of Court implemented Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The new standard required the Clerk of Court to record its proportionate share of the collective total other postemployment benefits (OPEB) liability related to its participation in single-employer defined benefit OPEB plan. As a result of the implementation, the Clerk of Court's net position decreased by \$2,897,321 and the OPEB liability increased by \$2,897,321, as of July 1, 2017.

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 changes in total OPEB liability and related ratios, 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 required 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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 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, Hopmann, Hogan & Weber LLP

New Orleans, Louisiana

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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, 2018

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, 2018, liabilities exceeded assets by \$503,072 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Invested in capital assets of \$472,214 including the cost of office equipment, furniture and fixtures, and automobiles, net of accumulated depreciation.
 - (2) Unrestricted net position of \$(975,286) representing the portion available to maintain the continuing obligations to citizens and creditors.
- The governmental fund reported total ending fund balance of \$16,728,750, of which \$16,704,451 was classified as unassigned and \$24,299 was classified as nonspendable.
- Total expenses for all judicial activities was \$17,867,623 for the year, which was \$2,730,528 less than the program revenues for these activities-\$20,598,151.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

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 \$1,046,694 from June 30, 2017 to June 30, 2018. This is a result of a decrease of \$2,897,321 due to the adoption of GASB 75 and an increase of \$3,944,015 as a result of this year's operations. The restatement resulting from this adoption contributed to a net restatement of \$2,897,321 to the June 30, 2017, unrestricted net position.

The Clerk of Court's total revenues for the year in governmental activities were \$21,811,638 (\$20,598,151 in program revenues and \$1,213,487 in general revenues). The total cost of all judicial programs and services was \$17,867,623.

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 \$16,728,750. This reflects an increase of \$3,528,588 from last year.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets and Deferred Outflows of Resources:		
Current	\$ 17,753,558	\$ 14,915,584
Capital assets, net	<u>472,214</u>	<u>560,800</u>
Total assets	18,225,772	15,476,384
Deferred outflows of Resources	<u>3,504,102</u>	<u>6,999,506</u>
Total Assets and Deferred Outflows of Resources	<u>21,729,874</u>	<u>22,475,890</u>
Liabilities, Deferred Inflows of Resources, and Net Position:		
Current liabilities	1,024,808	1,982,950
Noncurrent liabilities	<u>20,287,717</u>	<u>21,009,338</u>
Total liabilities	21,312,525	22,992,288
Deferred Inflows of Resources	<u>920,421</u>	<u>1,033,368</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,232,946</u>	<u>24,025,656</u>
Net Position:		
Net Investment in capital assets	472,214	560,800
Unrestricted	<u>(975,286)</u>	<u>(2,110,566)</u>
Total net position	\$ <u>(503,072)</u>	\$ <u>(1,549,766)</u>

JEFFERSON PARISH CLERK OF COURT
CONDENSED STATEMENTS OF ACTIVITIES
JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Total revenues	\$ 21,811,638	\$ 19,480,871
Total expenditures/expenses	<u>17,867,623</u>	<u>17,938,113</u>
Changes in net position	3,944,015	1,542,758
Net position, beginning of year	(1,549,766)	(3,092,524)
Prior period adjustment	<u>(2,897,321)</u>	<u>-0-</u>
Net position, end of year	\$ <u>(503,072)</u>	\$ <u>(1,549,766)</u>

GASB 75 was implemented in fiscal year ended June 30, 2018. Prior year amounts were not restated to reflect the changes due to this implementation.

**JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund's June 30, 2018 fund balance was revised by \$2,935,113. Major budget amendments were approved as follows:

- (A) Budgeted revenues increased by \$2,124,988. The largest revisions were in recording fees which increased by \$1,070,320, registering fees which increased by \$732,276, release fees which increased by \$180,928 and other income which increased by \$145,365. These adjustments were required to reflect actual trends and a one time offset.
- (B) Budgeted expenditures decreased by \$810,125 mainly due to decreased personal services and related benefits, decreased capital expenditures, and decreased professional services.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2018 was \$472,214.

This year there were \$144,218 of additions to capital assets. More detailed information about the capital assets is presented in Note (4) to the financial statements.

LONG-TERM OBLIGATIONS

At year-end, the Jefferson Parish Clerk of Court had \$885,078 of compensated absences, \$3,631,627 of net other postemployment benefits, and \$15,771,012 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, 2019 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, 2018.

Salaries are budgeted as \$400,000 higher for fiscal year ending June 30, 2019 and pension expense is budgeted as \$150,227 higher for fiscal year ending June 30, 2019 based on anticipated wage increases. Health insurance is budgeted as \$184,639 higher for fiscal year ending June 30, 2019 due to insurance rate increases. Capital expenditures are budgeted as \$332,059 higher for fiscal year ending June 30, 2019 and contract cost is budgeted as \$213,058 lower for fiscal year ending June 30, 2019.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018

ASSETS

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 14,014,911
Accounts receivable	1,121,435
Prepaid insurance	24,299
Due from Agency Funds	2,592,913
Capital assets, net of accumulated depreciation	<u>472,214</u>
Total assets	<u>18,225,772</u>
Deferred Outflows of Resources – Pension related	<u>3,504,102</u>

LIABILITIES

Liabilities:	
Accounts payable	629,515
Accrued payroll and related benefits	395,293
Non-current liabilities:	
Due within one year	280,108
Due in more than one year	<u>20,007,609</u>
Total liabilities	<u>21,312,525</u>
Deferred Inflows of Resources - Pension and OPEB	<u>920,421</u>

NET POSITION

Net Investment in Capital Assets	472,214
Unrestricted (deficit)	<u>(975,286)</u>
Total net position (deficit)	\$ <u>(503,072)</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

	Program Revenues		
Expenses	Charges for Services	Operating Grant and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities			
General government	\$ <u>17,867,623</u>	\$ <u>19,116,269</u>	\$ <u>1,481,882</u>
			\$ <u>2,730,528</u>
			316,795
			<u>896,692</u>
			<u>1,213,487</u>
			3,944,015
			(1,549,766)
			<u>(2,897,321)</u>
			\$ <u>(503,072)</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Balance Sheet - Governmental Fund
June 30, 2018

<u>ASSETS</u>	
	<u>General Fund</u>
Cash and cash equivalents	\$ 14,014,911
Accounts receivable	1,121,435
Prepaid insurance	24,299
Due from Agency Funds	<u>2,592,913</u>
Total assets	\$ <u>17,753,558</u>
 <u>LIABILITIES</u>	
Accounts payable	\$ 629,515
Accrued payroll and related benefits	<u>395,293</u>
Total liabilities	<u>1,024,808</u>
 <u>FUND BALANCE</u>	
Nonspendable (prepaid insurance)	24,299
Unassigned	<u>16,704,451</u>
Total fund balance	<u>16,728,750</u>
Total liabilities and fund balance	\$ <u>17,753,558</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, 2018

Total fund balance - governmental fund (fund financial statement)		\$ 16,728,750
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (government-wide financial statements) are different because:</p>		
<p>The deferred outflows of contributions for the clerk employees' retirement system are not available resources and, therefore, are not reported in the governmental funds.</p>		3,504,102
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of the assets are \$5,618,579, and the accumulated depreciation is \$5,146,365.</p>		472,214
<p>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:</p>		
Net pension liability	\$ (15,771,012)	
Compensated absences	(885,078)	
Other postemployment benefits liability	<u>(3,631,627)</u>	
		(20,287,717)
<p>The deferred inflows of contributions for the clerk employees' retirement system and changes to the OPEB are not payable from current expendable resources and, therefore, are not reported in the governmental funds</p>		<u>(920,421)</u>
<p>Total net position of governmental activities (government-wide financial statements)</p>		\$ <u><u>(503,072)</u></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, 2018

REVENUES

Charges for services	\$ 19,038,899
Licenses and permits	77,370
Intergovernmental	366,024
Interest earnings	896,692
Other	<u>316,795</u>
Total revenues	<u>20,695,780</u>

EXPENDITURES

Personnel services and related benefits	13,902,909
Operating services	2,264,383
Materials and supplies	595,955
Travel and other	52,489
Capital outlay	144,218
Intergovernmental	<u>207,238</u>
Total expenditures	<u>17,167,192</u>
Excess of revenues over expenditures	3,528,588
Fund balance - beginning of year	<u>13,200,162</u>
Fund balance - end of year	\$ <u>16,728,750</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, 2018

Net change in fund balance - governmental fund (fund financial statements) \$ 3,528,588

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	\$ 144,218	
Depreciation expense	<u>(232,804)</u>	(88,586)

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	(59,051)	
Net decrease in other postemployment benefits	<u>14,670</u>	(44,381)

Pension expense not affecting the use of current economic resources and, therefore, not recorded as an addition to governmental fund expenditures	(567,464)
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Nonemployer's contributions to the clerk employees' pension plan	<u>1,115,858</u>
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Change in net position of governmental activities (government-wide financial statements)	\$ <u>3,944,015</u>
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See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2018

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 36,595,023	\$ 32,248,331	\$ 68,843,354
Securities deposited with the Clerk of Court	-0-	1,599,395	1,599,395
Other receivables	38,159	-0-	38,159
Total Assets	<u>\$ 36,633,182</u>	<u>\$ 33,847,726</u>	<u>\$ 70,480,908</u>
<u>LIABILITIES</u>			
Due to Fee Fund	\$ 382,925	\$ 2,209,988	\$ 2,592,913
Unsettled deposits	33,941,719	31,357,947	65,299,666
Other liabilities	<u>2,308,538</u>	<u>279,791</u>	<u>2,588,329</u>
Total liabilities	<u>\$ 36,633,182</u>	<u>\$ 33,847,726</u>	<u>\$ 70,480,908</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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budget Practices

The proposed budget for the 2018 fiscal year was made available for public inspection at the Clerk's office on May 31, 2017. 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, 2017. 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, 2017, and as amended on June 5, 2018. 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, 2018

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, 2018

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, 2018

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”.

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

L. Net 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.”

O. New GASB Statement

During the year ended June 30, 2018 the Jefferson Parish Clerk of Court adopted Government Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”) to replace GASB 45.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

2. SECURITIES DEPOSITED WITH CLERK OF COURT

Securities deposited with the clerk of court, stated at \$1,599,395, 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.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2018, the Clerk of Court had cash and cash equivalents (book balances) totaling \$82,858,265 as follows:

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Petty cash and on hand	\$ 1,810	\$ -0-	\$ 1,810
Demand deposits	<u>14,013,101</u>	<u>68,843,354</u>	<u>82,856,455</u>
Total	<u>\$14,014,911</u>	<u>\$68,843,354</u>	<u>\$82,858,265</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, 2018, the Clerk had \$83,468,646 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, 2018, 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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

4. CAPITAL ASSETS

Capital assets and depreciation activity for the year follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Furniture and fixtures	\$ 715,513	\$ 7,790	\$ -0-	\$ 723,303
Office equipment	4,638,732	136,428	-0-	4,775,160
Automobiles	<u>120,116</u>	<u>-0-</u>	<u>-0-</u>	<u>120,116</u>
Total	<u>5,474,361</u>	<u>144,218</u>	<u>-0-</u>	<u>5,618,579</u>
Less accumulated depreciation				<u>5,146,365</u>
Net capital assets				\$ <u>472,214</u>

5. RECEIVABLES

The receivables of \$1,159,594 at June 30, 2018 are as follows:

<u>Class of Receivable</u>	<u>General</u> <u>Fund</u>	<u>Agency</u> <u>Funds</u>	<u>Total</u>
Customer accounts receivable	\$ 632,282	\$ 38,159	\$ 670,441
Criminal fees	90,045	-0-	90,045
Court attendance	61,080	-0-	61,080
Family Support fees	141,390	-0-	141,390
Others	<u>196,638</u>	<u>-0-</u>	<u>196,638</u>
Total	<u>\$ 1,121,435</u>	<u>\$ 38,159</u>	<u>\$ 1,159,594</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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

6. PENSION PLAN - Continued

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.

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:

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

6. PENSION PLAN -- Continued

- 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.

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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

6. PENSION PLAN – Continued

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.

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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

6. PENSION PLAN – Continued

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.

Employer Contributions – According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2018, 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, 2018, the Jefferson Parish Clerk of Court reported a liability of \$15,771,012 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk’s proportion of the net pension liability was based on a projection of the Clerk’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2017 measurement date, the Clerk’s proportion was 10.424124%, which was a decrease of .139478% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Clerk recognized pension expense of \$2,370,279. At June 30, 2018, 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	\$ 477,613	\$ 413,838
Change of assumptions	687,827	-0-
Change in proportion and differences between the employer’s contribution and the employer’s proportionate share of contributions	317,940	347,111
Net differences between projected and actual earnings on pension plan investments	215,986	-0-
Employers contributions subsequent to the measurement date	<u>1,804,736</u>	<u>-0-</u>
Total	<u>\$ 3,504,102</u>	<u>\$ 760,949</u>

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

6. PENSION PLAN – Continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – continued - Deferred outflows of resources of \$1,804,736 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2019	(187,237)
2020	(947,219)
2021	(404,124)
2022	600,163
Total	\$ (938,417)

Actuarial Methods and Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2017
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	2017 – 5 years 2016 – 5 years 2015 – 5 years 2014 – 5 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2017 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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

6. PENSION PLAN – Continued

Actuarial Methods and Assumptions – (continued) - 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.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 7.60% for the year ended June 30, 2017.

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, 2017 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%	1.75%
Core plus fixed income	15.0%	2.25%
Domestic Equity:		
Large cap domestic equity	21.0%	5.25%
Non-large cap domestic equity	7.0%	5.00%
International Equity:		
Large cap international equity	14.0%	5.25%
Small cap international equity	6.5%	5.25%
Emerging markets	6.5%	7.25%
Real Estate	10.0%	4.50%
Master Limited Partnerships	5.0%	7.00%
Hedge Funds	10.0%	3.00%
	<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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

6. PENSION PLAN – Continued

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, 2017.

	<u>Changes in Discount Rate</u>		
	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	<u>\$ 24,135,311</u>	<u>\$ 15,771,012</u>	<u>\$ 8,670,022</u>

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, 2018, the Jefferson Parish Clerk of Court recognized revenue as a result of support received from non-employer contributing entities of \$1,115,858 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.lla.la.gov.

Payables to the Pension Plan – As of June 30, 2018, the Clerk reported a payable of \$196,558 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, 2018 in the amount of \$52,164. The Clerk of Court does not have any noncancellable operating or capital leases as of June 30, 2018.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

8. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2018.

	<u>Balance</u> <u>7/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2018</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated absences	\$ 826,027	\$ 59,051	\$ -0-	\$ 885,078	\$ 280,108
Other postemployment benefits	3,805,769	12,557	186,699	3,631,627	-0-
Net pension liability	<u>19,542,391</u>	<u>-0-</u>	<u>3,771,379</u>	<u>15,771,012</u>	<u>-0-</u>
	<u>\$ 24,174,187</u>	<u>\$ 71,608</u>	<u>\$ 3,958,078</u>	<u>\$ 20,287,717</u>	<u>\$ 280,108</u>

The additions and reductions to compensated absences during 2018 represent the net change during the year because the additions and reductions could not be readily determined.

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 \$94,913 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 \$512,604 for office supplies, equipment, and fees. These expenditures are not reflected in the accompanying financial statements.

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan Description – The Jefferson Parish Clerk of Court provides certain continuing dental, health care and life insurance benefits for its eligible retired employees. The Jefferson Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The plan is funded on a pay-as-you go basis and there are no plan financial statements. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions – Reporting For Benefits Not Provided Through Trusts That meet Specified Criteria* *Defined Benefit*.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS –continued

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 50% of the premium for life insurance. 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.

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.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28	
Inactive employees entitled to but not yet receiving benefit payments	-	
Active employees	206	
Total	234	
 Total OPEB Liability		234

The Clerk’s total OPEB liability of \$3,631,627 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.58% annually (Beginning of Year to Determine ADC)
	3.87% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers’ 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

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

Contributions – The Clerk pays the cost of the retiree coverage, less the portion paid by the retiree, as those premiums come due each year. During the fiscal year ended June 30, 2018, the Clerk paid \$213,473 for retiree insurance premiums.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS –continued

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 3,805,769
Changes for the year:	
Service cost	49,755
Interest	132,905
Differences between expected and actual experience	(102,032)
Changes in assumptions	(68,071)
Benefit payments and net transfers	<u>(186,699)</u>
Net changes	<u>(174,142)</u>
Balance at June 30, 2018	<u>\$ 3,631,627</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	<u>\$ 3,877,709</u>	<u>\$ 3,631,627</u>	<u>\$ 3,420,788</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-higher (6.5%) than the current healthcare trend rate:

	1% Decrease 4.5%	Current Trend 5.5%	1% Increase 6.5%
Total OPEB Liability	<u>\$ 3,410,471</u>	<u>\$ 3,631,627</u>	<u>\$ 3,889,626</u>

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS –continued

For the year ended June 30, 2018, the Clerk recognized OPEB expense of \$172,029. At June 30, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -0-	\$ (95,655)
Change in assumptions	-0-	(63,817)
Total	\$ -0-	\$ (159,472)

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

Year Ended June 30	
2019	(10,631)
2020	(10,631)
2021	(10,631)
2022	(10,631)
2023	(10,631)
Thereafter	(106,317)
Total	\$ (159,472)

Payables to the OPEB Plan – As of June 30, 2018 the Clerk had no outstanding payables to the OPEB Plan.

12. 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, 2018.

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.

13. FUND BALANCE

As of June 30, 2018, the Clerk has an unassigned fund balance of \$16,704,451. Prepaid insurance of \$24,299 is considered nonspendable fund balance.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2018

14. INTERFUND RECEIVABLE AND PAYABLE BALANCES

The individual fund interfund receivable and payable balances as of June 30, 2018 are as follows:

Fund	Interfund Receivables	Interfund Payables
Fee Fund	\$ 2,592,913	\$ -0-
Fiduciary Funds:		
Advance Deposit Fund	-0-	382,925
Registry of Court Fund	-0-	2,209,988
	<u>\$ 2,592,913</u>	<u>\$ 2,592,913</u>

15. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2018, the Jefferson Parish Clerk of Court implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of implementation, net position as of July 1, 2017 was adjusted as follows:

Net position at July 1, 2017	\$ (1,549,766)
Adjustment due to implementation of GASB 75	(2,897,321)
Net position at July 1, 2017, as adjusted	<u>\$ (4,447,087)</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, 2018

	<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	\$ 69,332	\$ 75,944	\$ 77,370	\$ 1,426
Charges for services:				
Court costs, fees, and charges	1,659,923	1,638,107	1,695,745	57,638
Fees for:				
Recording legal documents	5,415,661	7,270,747	7,352,413	81,666
Certified copies of documents	1,267,052	1,260,482	1,249,522	(10,960)
Fees transferred from advanced deposit funds	7,564,325	7,509,133	7,668,218	159,085
Miscellaneous	845,557	1,054,720	1,073,001	18,281
Interest	571,919	661,776	896,692	234,916
Miscellaneous	298,999	204,262	316,795	112,533
Intergovernmental	<u>216,955</u>	<u>359,540</u>	<u>366,024</u>	<u>6,484</u>
Total revenues	<u>17,909,723</u>	<u>20,034,711</u>	<u>20,695,780</u>	<u>661,069</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Personal services & related benefits	14,487,779	13,935,344	13,902,909	32,435
Operating services	2,346,729	2,300,345	2,264,383	35,962
Materials & supplies	446,443	578,258	595,955	(17,697)
Travel and other				
Charges	35,517	52,338	52,489	(151)
Capital outlay	550,000	167,941	144,218	23,723
Intergovernmental	<u>180,301</u>	<u>202,418</u>	<u>207,238</u>	<u>(4,820)</u>
Total expenditures	<u>18,046,769</u>	<u>17,236,644</u>	<u>17,167,192</u>	<u>69,452</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	(137,046)	2,798,067	3,528,588	730,521
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>12,910,186</u>	<u>13,200,162</u>	<u>13,200,162</u>	<u>-0-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 12,773,140</u>	<u>\$ 15,998,229</u>	<u>\$ 16,728,750</u>	<u>\$ 730,521</u>

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

Total OPEB Liability	
Service cost	\$ 49,755
Interest	132,905
Changes of benefit terms	-0-
Differences between expected and actual experience	(102,032)
Changes of assumptions	(68,071)
Benefit payments	<u>(186,699)</u>
Net change in total OPEB liability	(174,142)
Total OPEB liability – beginning	<u>3,805,769</u>
Total OPEB liability – ending	<u>\$ 3,631,627</u>
Covered payroll	\$ 9,465,600
Net OPEB liability as a percentage of covered payroll	38.37%

Notes to Schedule:

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

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

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

Required Supplementary Information
Schedule of Clerk's Proportionate Share of Net Pension Liability
For the Four Years Ended June 30, 2018

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 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
2018	10.424124%	\$ 15,771,012	\$ 9,403,999	167.7%	79.69%
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

Required Supplementary Information
Schedule of Clerk's Contributions
For the Four Years Ended June 30, 2018

<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 Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2018	\$ 1,804,736	\$ 1,804,736	\$ -	\$ 9,498,614	19.0%
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, 2018

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

There were no change in assumptions for the fiscal year ended June 30, 2018.

Reporting Date	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Valuation Date	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation Rate	2.50%	2.50 %
Project Salary Increases	5.00%	5.00%
Discount Rate	7.00%	7.00%

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, 2018

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2018</u>
<u>Advance Deposit Funds</u>				
ASSETS:				
Cash and cash equivalents	\$ 38,313,280	\$ 20,034,158	\$ 21,752,415	\$ 36,595,023
Due from Fee Fund	1,579,395	-0-	1,579,395	-0-
Receivables	<u>37,150</u>	<u>12,530</u>	<u>11,521</u>	<u>38,159</u>
Total Assets	<u>\$ 39,929,825</u>	<u>\$ 20,046,688</u>	<u>\$ 23,343,331</u>	<u>\$ 36,633,182</u>
LIABILITIES:				
Due to Fee Fund	-0-	4,783,875	4,400,950	382,925
Unsettled deposits	38,394,780	14,465,270	18,918,331	33,941,719
Other liabilities	<u>1,535,045</u>	<u>773,493</u>	<u>-0-</u>	<u>2,308,538</u>
Total Liabilities	<u>\$ 39,929,825</u>	<u>\$ 20,022,638</u>	<u>\$ 23,319,281</u>	<u>\$ 36,633,182</u>
<u>Registry of Court Fund</u>				
ASSETS:				
Cash and cash equivalents	\$ 32,190,799	\$ 6,050,195	\$ 5,992,663	\$ 32,248,331
Securities deposited with the Clerk of Court	<u>1,667,179</u>	<u>-0-</u>	<u>67,784</u>	<u>1,599,395</u>
Total Assets	<u>\$ 33,857,978</u>	<u>\$ 6,050,195</u>	<u>\$ 6,060,447</u>	<u>\$ 33,847,726</u>
LIABILITIES:				
Due to Fee Fund	\$ 2,062,161	\$ 149,770	\$ 1,943	\$ 2,209,988
Unsettled deposits	31,442,853	6,037,859	6,122,765	31,357,947
Other liabilities	<u>352,964</u>	<u>-0-</u>	<u>73,173</u>	<u>279,791</u>
Total Liabilities	<u>\$ 33,857,978</u>	<u>\$ 6,187,629</u>	<u>\$ 6,197,881</u>	<u>\$ 33,847,726</u>
<u>Total – All Agency Funds</u>				
ASSETS:				
Cash and cash equivalents	\$ 70,504,079	\$ 26,084,353	\$ 27,745,078	\$ 68,843,354
Securities deposited with the Clerk of Court	1,667,179	-0-	67,784	1,599,395
Due from Fee Fund	1,579,395	-0-	1,579,395	-0-
Receivables	<u>37,150</u>	<u>12,530</u>	<u>11,521</u>	<u>38,159</u>
Total Assets	<u>\$ 73,787,803</u>	<u>\$ 26,096,883</u>	<u>\$ 29,403,778</u>	<u>\$ 70,480,908</u>
LIABILITIES:				
Due to Fee Fund	\$ 2,062,161	\$ 4,933,645	\$ 4,402,893	\$ 2,592,913
Unsettled deposits	69,837,633	20,503,129	25,041,096	65,299,666
Other liabilities	<u>1,888,009</u>	<u>773,493</u>	<u>73,173</u>	<u>2,588,329</u>
Total Liabilities	<u>\$ 73,787,803</u>	<u>\$ 26,210,267</u>	<u>\$ 29,517,162</u>	<u>\$ 70,480,908</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, 2018

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

Purpose

Salary	\$ 174,448
Benefits – Insurance	11,835
Benefits – Retirement	33,026
Benefits – Medicare	2,529
Conference Travel	7,946
Registration Fees	4,315
Other	<u>2,486</u>
	<u>\$ 236,585</u>



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

December 20, 2018

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, 2018, 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 20, 2018.

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.

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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, Chapman, Hogan & Weber LLP

New Orleans, Louisiana

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

SUMMARY SCHEDULE OF FINDINGS
For the Year Ended June 30, 2018

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, 2018.
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, 2017
THROUGH JUNE 30, 2018



Duplantier
Hrapmann
Hogan &
Maher, LLP

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

December 20, 2018

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Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

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

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Terri L. Kitto, CPA

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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 (the specified parties), on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the period July 1, 2017 through June 30, 2018. 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:

Bank Reconciliations

- 1) We obtained a listing of client bank accounts from management and management's representation that the listing is complete. Using the listing provided by management, we selected the entity's main operating account and four additional accounts at random. For each of the bank accounts selected, we randomly selected one month from the fiscal period and obtained and inspected the corresponding bank statement and reconciliation and observed whether:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date;

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Bank Reconciliations (Continued)

- 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 12 months from the statement closing date.

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

Collections

- 2) We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing was complete. For each deposit site, we obtained a listing of collection locations and management's representation that the listing is complete.

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

- 3) We randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
 - a) Employees that were responsible for cash collections did not share cash drawers/registers.
 - b) Each employee responsible for collecting cash was not responsible for preparing/making bank deposits, unless another employee/official was responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash was not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official was responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions were not responsible for collecting cash, unless another employee verified the reconciliation.

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

- 4) We inquired of management whether all employees who had access to cash were covered by a bond or insurance policy for theft.

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

December 20, 2018

Collections (Continued)

- 5) We randomly selected two deposit dates for each of the five bank accounts selected for procedure #1 under "Bank Reconciliations" above. We obtained supporting documentation for each of the 10 deposits and:
- a) Observed that receipts were sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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 these 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 these internal control and compliance areas identified in the Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on internal 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.

Duplantier, Hapmann, Hogan & Baker LLP

New Orleans, Louisiana