

JEFFERSON PARISH CLERK OF COURT

Gretna, Louisiana

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
Annual Financial Report
For the Year Ended June 30, 2019

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Gretna, Louisiana
Annual Financial Report
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Duplantier Hrapmann Hogan & Maher, LLP

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December 23, 2019

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, 2019, 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, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information as listed in the table of contents to the report 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.

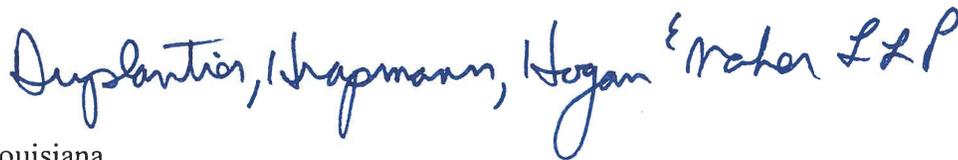
Other Information

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.

These other supplementary schedules are the responsibility of management, were derived from, and relates 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 23, 2019 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.

A handwritten signature in blue ink that reads "Duplantier, Chapman, Hogan & Rater LLP". The signature is written in a cursive, flowing style.

New Orleans, Louisiana

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. 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, 2019

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, 2019, assets exceeded liabilities by \$3,619,780 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Invested in capital assets of \$728,501 including the cost of office equipment, furniture and fixtures, and automobiles, net of accumulated depreciation.
 - (2) Unrestricted net position of \$2,891,279 representing the portion available to maintain the continuing obligations to citizens and creditors.
- The governmental fund reported total ending fund balance of \$20,505,363, of which \$20,485,607 was classified as unassigned and \$19,756 was classified as nonspendable.
- Total expenses for all judicial activities was \$18,123,555 for the year, which was \$2,594,611 less than the program revenues for these activities \$20,718,166.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

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 \$4,122,852 from June 30, 2018 to June 30, 2019 as a result of this year's operations.

The Clerk of Court's total revenues for the year in governmental activities were \$22,246,407 (\$20,718,166 in program revenues and \$1,528,241 in general revenues). The total cost of all judicial programs and services was \$18,123,555.

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 \$20,505,363. This reflects an increase of \$3,776,613 from last year.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019 AND 2018

	2019	2018
Assets and Deferred Outflows of Resources:		
Current	\$ 21,666,779	\$ 17,753,558
Capital assets, net	728,501	472,214
Total assets	22,395,280	18,225,772
Deferred outflows of Resources	4,733,392	3,504,102
Total Assets and Deferred Outflows of Resources	27,128,672	21,729,874
Liabilities, Deferred Inflows of Resources, and Net Position:		
Current liabilities	1,161,416	1,024,808
Noncurrent liabilities	21,652,168	20,287,717
Total liabilities	22,813,584	21,312,525
Deferred Inflows of Resources	695,308	920,421
Total Liabilities and Deferred Inflows of Resources	23,508,892	22,232,946
Net Position:		
Net Investment in capital assets	728,501	472,214
Unrestricted	2,891,279	(975,286)
Total net position	\$ 3,619,780	\$ (503,072)

JEFFERSON PARISH CLERK OF COURT
CONDENSED STATEMENTS OF ACTIVITIES
JUNE 30, 2019 AND 2018

	2019	2018
Total revenues	\$ 22,246,407	\$ 21,811,638
Total expenditures/expenses	18,123,555	17,867,623
Changes in net position	4,122,852	3,944,015
Net position, beginning of year	(503,072)	(1,549,766)
Prior period adjustment	-0-	(2,897,321)
Net position, end of year	\$ 3,619,780	\$ (503,072)

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, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund's June 30, 2019 fund balance was revised by \$1,227,188. Major budget amendments were approved as follows:

- (A) Budgeted revenues increased by \$581,820 mainly due to an increase in interest income of \$552,138. All of the adjustments were required to reflect actual trends.
- (B) Budgeted expenditures decreased by \$645,368 mainly due to decreased personal services and related benefits, and operating services and increased capital outlay.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2019 was \$728,501.

This year there were \$508,971 of additions and \$1,227,058 of deletions 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 \$957,711 of compensated absences, \$3,678,287 of net other postemployment benefits, and \$17,016,170 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, 2020 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, 2019.

Salaries are budgeted as \$709,326 higher for fiscal year ending June 30, 2020 and pension expense is budgeted as \$132,006 higher for fiscal year ending June 30, 2020 based on anticipated wage increases. Health insurance is budgeted as \$800,000 higher for fiscal year ending June 30, 2020 due to insurance rate increases. Capital expenditures are budgeted as \$130,912 higher for fiscal year ending June 30, 2020 and contract cost is budgeted as \$729,586 lower for fiscal year ending June 30, 2020.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

	<u>ASSETS</u>	Governmental Activities
Assets:		
Cash and cash equivalents	\$	17,864,062
Accounts receivable		1,108,821
Prepaid insurance		19,756
Due from Agency Funds		2,674,140
Capital assets, net of accumulated depreciation		<u>728,501</u>
 Total assets		 <u>22,395,280</u>
 Deferred Outflows of Resources – Pension and OPEB		 <u>4,733,392</u>
 <u>LIABILITIES</u>		
Liabilities:		
Accounts payable		741,989
Accrued payroll and related benefits		419,427
Non-current liabilities:		
Due within one year		315,083
Due in more than one year		<u>21,337,085</u>
 Total liabilities		 <u>22,813,584</u>
 Deferred Inflows of Resources - Pension and OPEB		 <u>695,308</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets		728,501
Unrestricted (deficit)		<u>2,891,279</u>
 Total net position	 \$	 <u>3,619,780</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Statement of Activities
For the Year Ended June 30, 2019

	Program Revenues			Net (Expense)
Expenses	Charges for Services	Operating Grant and Contributions	Revenue and Changes in Net Position	
Governmental Activities				
General government	\$ <u>18,123,555</u>	\$ <u>19,193,069</u>	\$ <u>1,525,097</u>	\$ <u>2,594,611</u>
	General Revenues:			
				62,644
				<u>1,465,597</u>
				<u>1,528,241</u>
				4,122,852
				<u>(503,072)</u>
				\$ <u>3,619,780</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Balance Sheet - Governmental Fund
June 30, 2019

ASSETS

	<u>General Fund</u>
Cash and cash equivalents	\$ 17,864,062
Accounts receivable	1,108,821
Prepaid insurance	19,756
Due from Agency Funds	<u>2,674,140</u>
Total assets	\$ <u>21,666,779</u>

LIABILITIES

Accounts payable	\$ 741,989
Accrued payroll and related benefits	<u>419,427</u>
Total liabilities	<u>1,161,416</u>

FUND BALANCE

Nonspendable (prepaid insurance)	19,756
Unassigned	<u>20,485,607</u>
Total fund balance	<u>20,505,363</u>
Total liabilities and fund balance	\$ <u>21,666,779</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, 2019

Total fund balance - governmental fund (fund financial statement)	\$ 20,505,363
Amounts reported for <i>governmental activities</i> in the statement of net position (government-wide financial statements) are different because:	
The deferred outflows of contributions for the Louisiana Clerks' of Court Retirement and Relief Fund and changes to the OPEB are not available resources and, therefore, are not reported in the governmental funds.	
	4,733,392
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of the assets are \$4,900,492, and the accumulated depreciation is \$4,171,991.	
	728,501
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Net pension liability	\$ (17,016,170)
Compensated absences	(957,711)
Other postemployment benefits liability	<u>(3,678,287)</u>
	(21,652,168)
The deferred inflows of contributions for the Louisiana Clerks' of Court Retirement and Relief Fund and changes to the OPEB are not payable from current expendable resources and, therefore, are not reported in the governmental funds	
	<u>(695,308)</u>
Total net position of governmental activities (government-wide financial statements)	\$ <u>3,619,780</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, 2019

REVENUES

Charges for services	\$ 19,111,978
Licenses and permits	81,091
Intergovernmental	402,912
Interest earnings	1,465,597
Other	<u>62,644</u>
Total revenues	<u>21,124,222</u>

EXPENDITURES

Personnel services and related benefits	14,469,880
Operating services	1,356,613
Materials and supplies	605,811
Travel and other	52,769
Capital outlay	508,971
Intergovernmental	<u>353,565</u>
Total expenditures	<u>17,347,609</u>
Excess of revenues over expenditures	3,776,613
Fund balance - beginning of year	<u>16,728,750</u>
Fund balance - end of year	\$ <u>20,505,363</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, 2019

Net change in fund balance - governmental fund (fund financial statements)	\$ 3,776,613
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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.

Capital outlay	\$ 508,971	
Depreciation expense	(222,185)	
Loss on disposal of assets	<u>(30,499)</u>	
		256,287

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	(72,633)	
Decrease in other postemployment benefits	<u>9,717</u>	
		(62,916)

Pension expense not affecting the use of current economic resources and, therefore, not recorded as an addition to governmental fund expenditures	(969,317)
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Nonemployer's contributions to the Louisiana Clerks' of Court Retirement and Relief Fund	<u>1,122,185</u>
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Change in net position of governmental activities (government-wide financial statements)	<u>\$ 4,122,852</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, 2019

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 35,245,797	\$ 31,491,937	\$ 66,737,734
Securities deposited with the Clerk of Court	-0-	1,591,895	1,591,895
Other receivables	<u>37,972</u>	<u>-0-</u>	<u>37,972</u>
Total Assets	<u>\$ 35,283,769</u>	<u>\$ 33,083,832</u>	<u>\$ 68,367,601</u>
 <u>LIABILITIES</u>			
Due to Fee Fund	\$ 282,670	\$ 2,391,470	\$ 2,674,140
Unsettled deposits	32,626,901	30,558,737	63,185,638
Other liabilities	<u>2,374,198</u>	<u>133,625</u>	<u>2,507,823</u>
Total liabilities	<u>\$ 35,283,769</u>	<u>\$ 33,083,832</u>	<u>\$ 68,367,601</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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budget Practices

The proposed budget for the 2019 fiscal year was made available for public inspection at the Clerk's office on June 5, 2018. 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 28, 2018. 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 28, 2018, and as amended on May 29, 2019. Outstanding encumbrances which are not canceled are included as part of the next year's budget.

F. Cash and Cash Equivalents

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. 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, 2019

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, 2019

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, 2019

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.”

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

2. SECURITIES DEPOSITED WITH CLERK OF COURT

Securities deposited with the clerk of court, stated at \$1,591,895, 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

At June 30, 2019, the Clerk of Court had cash and cash equivalents (book balances) totaling \$84,601,796 as follows:

	General Fund	Agency Funds	Total
Petty cash and on hand	\$ 1,949	\$ -0-	\$ 1,949
Demand deposits	<u>17,862,113</u>	<u>66,737,734</u>	<u>84,599,847</u>
Total	<u>\$17,864,062</u>	<u>\$66,737,734</u>	<u>\$84,601,796</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, 2019, the Clerk had \$85,244,950 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, 2019, 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, 2019

4. CAPITAL ASSETS

Capital assets and depreciation activity for the year was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Furniture and fixtures	\$ 723,303	\$ 988	\$ -0-	\$ 724,291
Office equipment	4,775,160	507,983	1,227,058	4,056,085
Automobiles	<u>120,116</u>	<u>-0-</u>	<u>-0-</u>	<u>120,116</u>
Total	<u>5,618,579</u>	<u>508,971</u>	<u>1,227,058</u>	<u>4,900,492</u>
Less accumulated depreciation				<u>4,171,991</u>
Net capital assets				\$ <u>728,501</u>

5. RECEIVABLES

The receivables of \$1,146,793 at June 30, 2019 are composed of the following:

<u>Class of Receivable</u>	<u>General</u> <u>Fund</u>	<u>Agency</u> <u>Funds</u>	<u>Total</u>
Customer accounts receivable	\$ 708,377	\$ 37,972	\$ 746,349
Criminal fees	78,616	-0-	78,616
Court attendance	59,600	-0-	59,600
Family Support fees	82,714	-0-	82,714
Others	<u>179,514</u>	<u>-0-</u>	<u>179,514</u>
Total	\$ <u>1,108,821</u>	\$ <u>37,972</u>	\$ <u>1,146,793</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, 2019

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 12 or more years of credited service, attaining the age of 55 years (age 65 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3 1/3% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase on 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability Benefits – Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of forty percent of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521 (C).

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

6. PENSION PLAN – Continued

Survivor Benefits – Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any active contributing member with 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 less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. 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 (DROP) – 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 36 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 DROP 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 DROP account equal to the payments to the account or a true annuity based upon his account (subject to approval by the Board of Trustees). In addition, the member receives the monthly benefits that were paid into the DROP fund during his period of participation.

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. The interest earnings are based on the actual rate of return on funds in such accounts. These interest accruals cease upon termination of employment.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

6. PENSION PLAN – Continued

Deferred Retirement Option Plan (DROP) – continued - Upon termination, the member receives a lump sum payments from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in 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 addition service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, 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 36 months. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lessor amount used to calculate his original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments (COLAs) – The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, 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, 2019, 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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

6. PENSION PLAN – Continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the Jefferson Parish Clerk of Court reported a liability of \$17,016,170 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk’s proportion of the net pension liability was based on a projection of the Clerk’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2018 measurement date, the Clerk’s proportion was 10.230365%, which was a decrease of .193759% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Clerk recognized pension expense of \$2,876,361. At June 30, 2019, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 451,588	\$ 168,097
Changes of assumptions	1,767,928	-0-
Changes in proportion and differences between the employer’s contribution and the employer’s proportionate share of contributions	198,453	342,390
Net differences between projected and actual earnings on pension plan investments	324,808	-0-
Employer contributions subsequent to the measurement date	1,908,889	-0-
Total	\$ 4,651,666	\$ 510,487

Deferred outflows of resources of \$1,908,889 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 ending June 30, 2020. 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 Ending June 30	
2020	(1,304,446)
2021	(770,792)
2022	216,366
2023	(373,418)
Total	\$ (2,232,290)

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

6. PENSION PLAN – Continued

Actuarial Methods and Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.75%, 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) and projected to 2030 using scale AA for males and females
Expected remaining service lives	2018 – 5 years 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 2018 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. In cases where benefit structures were changed after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

6. PENSION PLAN – Continued

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

<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%	2.00%
Domestic Equity:		
Large cap domestic equity	21.0%	4.50%
Non-large cap domestic equity	7.0%	4.75%
International Equity:		
Large cap international equity	14.0%	4.75%
Small cap international equity	6.5%	4.50%
Emerging markets	6.5%	6.25%
Real Estate	10.0%	4.00%
Master Limited Partnerships	5.0%	6.00%
Hedge Funds	10.0%	3.50%
	<u>100.0%</u>	

The discount rate used to measure the total pension liability was 6.75%. 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 the Board of Trustees and the Public Retirement System's Actuarial Committee (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, 2019

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 6.75%, 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, 5.75%, or one percentage point higher, 7.75%, than the current rate as of June 30, 2018.

	<u>Changes in Discount Rate</u>		
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability	\$ 26,013,944	\$ 17,016,170	\$ 9,557,809

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, 2019, the Jefferson Parish Clerk of Court recognized revenue as a result of support received from non-employer contributing entities of \$1,122,185 for its participation in the Louisiana Clerk of Court Retirement and Relief Fund.

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan – As of June 30, 2019, the Clerk reported a payable of \$208,028 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, 2019 in the amount of \$49,381. The Clerk of Court does not have any noncancellable operating or capital leases as of June 30, 2019.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

8. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2019.

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2019</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated absences	\$ 885,078	\$ 72,633	\$ -0-	\$ 957,711	\$ 315,083
Other postemployment benefits	3,631,627	233,359	186,699	3,678,287	-0-
Net pension liability	<u>15,771,012</u>	<u>1,245,158</u>	<u>-0-</u>	<u>17,016,170</u>	<u>-0-</u>
	<u>\$ 20,287,717</u>	<u>\$ 1,551,150</u>	<u>\$ 186,699</u>	<u>\$ 21,652,168</u>	<u>\$ 315,083</u>

The additions and reductions to compensated absences during 2019 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 \$123,268 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 \$336,156 for office supplies, equipment, and fees. These expenditures are not reflected in the accompanying financial statements.

11. OTHER POSTEMPLOYMENT 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, 2019

11. OTHER POSTEMPLOYMENT 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, 2019, 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	<u>206</u>
Total	<u>234</u>

Total OPEB Liability 234

The Clerk’s total OPEB liability of \$3,678,287 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.87% annually (Beginning of Year to Determine ADC)
	3.50% 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, 2019, 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, 2019, the Clerk paid \$209,235 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, 2019

11. OTHER POSTEMPLOYMENT BENEFITS –continued

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

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ <u>3,631,627</u>
Changes for the year:	
Service cost	47,414
Interest	136,931
Differences between expected and actual experience	(38,550)
Changes in assumptions	87,564
Benefit payments and net transfers	<u>(186,699)</u>
Net changes	46,660
Balance at June 30, 2019	\$ <u>3,678,287</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 (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	<u>\$ 3,942,451</u>	<u>\$ 3,678,287</u>	<u>\$ 3,452,707</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>\$ 3,441,178</u>	<u>\$ 3,678,287</u>	<u>\$ 3,955,528</u>

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS –continued

For the year ended June 30, 2019, the Clerk recognized OPEB expense of \$176,982. At June 30, 2019, 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-	\$ (35,980)
Change in assumptions	81,726	-0-
Total	\$ 81,726	\$ (35,980)

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

Year Ending June 30	
2020	(7,363)
2021	(7,363)
2022	(7,363)
2023	(7,363)
2024	(7,363)
Thereafter	(66,267)
Total	\$ (103,082)

Payables to the OPEB Plan – As of June 30, 2019 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, 2019.

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, 2019, the Clerk has an unassigned fund balance of \$20,485,607. Prepaid insurance of \$19,756 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, 2019

14. INTERFUND RECEIVABLE AND PAYABLE BALANCES

The individual fund interfund receivable and payable balances as of June 30, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Fee Fund	\$ 2,674,140	\$ -0-
Fiduciary Funds:		
Advance Deposit Fund	-0-	282,670
Registry of Court Fund	<u>-0-</u>	<u>2,391,470</u>
	<u>\$ 2,674,140</u>	<u>\$ 2,674,140</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, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>REVENUES</u>				
Marriage licenses and permits	\$ 75,944	\$ 80,192	\$ 81,091	\$ 899
Charges for services:				
Court costs, fees, and charges	1,638,107	1,753,889	1,791,801	37,912
Fees for:				
Recording legal documents	7,455,747	7,214,420	7,301,160	86,740
Certified copies of documents	1,260,482	1,100,045	1,096,581	(3,464)
Fees transferred from advanced deposit funds	7,509,133	7,694,014	7,749,780	55,766
Miscellaneous	1,054,720	1,178,535	1,172,656	(5,879)
Interest	661,776	1,213,914	1,465,597	251,683
Miscellaneous	61,252	59,479	62,644	3,165
Intergovernmental	349,047	353,540	402,912	49,372
Total revenues	20,066,208	20,648,028	21,124,222	476,194
<u>EXPENDITURES</u>				
Current:				
General government:				
Personal services & related benefits	14,676,010	14,477,391	14,469,880	7,511
Operating services	2,102,448	1,393,546	1,356,613	36,933
Materials & supplies	578,258	456,165	605,811	(149,646)
Travel and other				
Charges	52,338	63,056	52,769	10,287
Capital outlay	500,000	729,088	508,971	220,117
Intergovernmental	202,418	346,858	353,565	(6,707)
Total expenditures	18,111,472	17,466,104	17,347,609	118,495
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	1,954,736	3,181,924	3,776,613	594,689
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	15,998,229	16,728,750	16,728,750	-0-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 17,952,965	\$ 19,910,674	\$ 20,505,363	\$ 594,689

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Two Years Ended June 30, 2019

Total OPEB Liability	2018	2019
Service cost	\$ 49,755	\$ 47,414
Interest	132,905	136,931
Changes of benefit terms	-0-	-0-
Differences between expected and actual experience	(102,032)	(38,550)
Changes of assumptions	(68,071)	87,564
Benefit payments	(186,699)	(186,699)
Net change in total OPEB liability	(174,142)	46,660
Total OPEB liability – beginning	3,805,769	3,631,627
Total OPEB liability – ending	\$ 3,631,627	\$ 3,678,287
Covered payroll	\$ 9,465,600	9,844,224
Net OPEB liability as a percentage of covered payroll	38.37%	37.36%
Notes to Schedule:		
<i>Benefit Changes</i>	<i>None</i>	<i>None</i>
<i>Changes of Assumptions</i>	<i>None</i>	<i>None</i>

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 Five Years Ended June 30, 2019

<u>Fiscal Year Ended June 30,</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2019	10.230365%	\$ 17,016,170	\$ 9,498,614	179.1%	79.07%
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 to the
Louisiana Clerks' of Court Retirement and Relief Fund
For the Five Years Ended June 30, 2019

<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>
2019	\$ 1,908,889	\$ 1,908,889	\$ -	\$10,046,791	19.0%
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, 2019

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 changes in assumptions for the fiscal year ended June 30, 2018.

Reporting Date	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Valuation Date	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation Rate	2.50%	2.50 %
Project Salary Increases	5.00%	5.00%
Discount Rate	6.75%	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, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Advance Deposit Funds</u>				
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 36,595,023	\$ 18,049,583	\$ 19,398,809	\$ 35,245,797
Receivables	<u>38,159</u>	<u>13,661</u>	<u>13,848</u>	<u>37,972</u>
Total Assets	<u>\$ 36,633,182</u>	<u>\$ 18,063,244</u>	<u>\$ 19,412,657</u>	<u>\$ 35,283,769</u>
<u>LIABILITIES:</u>				
Due to Fee Fund	382,925	3,047,604	3,147,859	282,670
Unsettled deposits	33,941,719	14,922,471	16,237,289	32,626,901
Other liabilities	<u>2,308,538</u>	<u>65,660</u>	<u>-0-</u>	<u>2,374,198</u>
Total Liabilities	<u>\$ 36,633,182</u>	<u>\$ 18,035,735</u>	<u>\$ 19,385,148</u>	<u>\$ 35,283,769</u>
<u>Registry of Court Fund</u>				
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 32,248,331	\$ 7,155,816	\$ 7,912,210	\$ 31,491,937
Securities deposited with the Clerk of Court	<u>1,599,395</u>	<u>-0-</u>	<u>7,500</u>	<u>1,591,895</u>
Total Assets	<u>\$ 33,847,726</u>	<u>\$ 7,155,816</u>	<u>\$ 7,919,710</u>	<u>\$ 33,083,832</u>
<u>LIABILITIES:</u>				
Due to Fee Fund	\$ 2,209,988	\$ 206,136	\$ 24,654	\$ 2,391,470
Unsettled deposits	31,357,947	7,180,471	7,979,681	30,558,737
Other liabilities	<u>279,791</u>	<u>-0-</u>	<u>146,166</u>	<u>133,625</u>
Total Liabilities	<u>\$ 33,847,726</u>	<u>\$ 7,386,607</u>	<u>\$ 8,150,501</u>	<u>\$ 33,083,832</u>
<u>Total – All Agency Funds</u>				
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 68,843,354	\$ 25,205,399	\$ 27,311,019	\$ 66,737,734
Securities deposited with the Clerk of Court	1,599,395	-0-	7,500	1,591,895
Receivables	<u>38,159</u>	<u>13,661</u>	<u>13,848</u>	<u>37,972</u>
Total Assets	<u>\$ 70,480,908</u>	<u>\$ 25,219,060</u>	<u>\$ 27,332,367</u>	<u>\$ 68,367,601</u>
<u>LIABILITIES:</u>				
Due to Fee Fund	\$ 2,592,913	\$ 3,253,740	\$ 3,172,513	\$ 2,674,140
Unsettled deposits	65,299,666	22,102,942	24,216,970	63,185,638
Other liabilities	<u>2,588,329</u>	<u>65,660</u>	<u>146,166</u>	<u>2,507,823</u>
Total Liabilities	<u>\$ 70,480,908</u>	<u>\$ 25,422,342</u>	<u>\$ 27,535,649</u>	<u>\$ 68,367,601</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Schedule of Compensation, Benefits, and Other Payments
to the Clerk of Court
For the Year Ended June 30, 2019

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

Purpose

Salary	\$ 175,768
Benefits – Insurance	12,628
Benefits – Retirement	33,396
Benefits – Medicare	2,455
Conference Travel	3,756
Registration Fees	3,030
Other	<u>4,058</u>
	<u>\$ 235,091</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 23, 2019

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, 2019, 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 23, 2019.

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, Haysmann, Hogan & Baker LLP

New Orleans, Louisiana

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

SUMMARY SCHEDULE OF FINDINGS
For the Year Ended June 30, 2019

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, 2019.
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, 2018
THROUGH JUNE 30, 2019



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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December 23, 2019

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

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, 2018 through June 30, 2019. 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 users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

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- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

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

December 23, 2019

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 result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana