

RECEIVED
LEGISLATIVE AUDITOR
2000 JAN -3 AM 10: 23

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

JEFFERSON PARISH CLERK OF COURT

Gretna, Louisiana

ANNUAL FINANCIAL REPORT

June 30, 1999

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

Release Date 2-16-00

T A B L E O F C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT		2-3
GENERAL-PURPOSE FINANCIAL STATEMENTS:		
Combined Balance Sheet - All Fund Types and Account Groups	A	4
Governmental Fund Type - General Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balance	B	5
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C	6
Notes to the Financial Statements		7-17
	<u>Schedule</u>	
SUPPLEMENTAL INFORMATION:		
Fiduciary Fund Type - Agency Funds:		18
Combining Balance Sheet	1	19
Schedule of Changes in Unsettled Deposits	2	20
Summary Schedule of Prior Audit Findings	3	21-22
Corrective Action Plan for Current Year Audit Findings	4	23-24
INTERNAL CONTROL AND COMPLIANCE		
Report on compliance and on internal control Over financial reporting based on an audit of the general-purpose financial statements performed in accordance with Government Auditing Standards		25-27

UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS

2067 PAXTON STREET

HARVEY, LOUISIANA 70058

(504) 347-0441

FAX (504) 347-0467

DOUGLAS L. UZEE, CPA

(1926 - 1988)

JAMES L. BUTLER, CPA

N. PAUL ARCENEUX, CPA

PATRICK J. BOWES, CPA

INDEPENDENT AUDITOR'S REPORT

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

HONORABLE JON A. GEGENHEIMER
JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

We have audited the accompanying general-purpose financial statements of the Jefferson Parish Clerk of Court, as of and for the year ended June 30, 1999, as listed in the foregoing table of contents. These financial statements are the responsibility of the Jefferson Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Jefferson Parish Clerk of Court has not reconciled the individual deposit balances in the advance deposit agency funds with their cash balances at June 30, 1999. Therefore, we were unable to verify the unsettled deposit balances due to others at June 30, 1999, in the advance deposit agency funds, totaling \$18,774,424.57. The effects on the financial statements of not reconciling the individual deposit balances cannot be reasonably determined.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the clerk of court reconciled the individual deposit balances in the advance deposit agency funds as described above, the general-purpose financial statements referred to in the first paragraph above

present fairly, in all material respects, the financial position of the Jefferson Parish Clerk of Court at June 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplemental information listed as schedules in the table of contents is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the clerk of court reconciled the deposit balances due to others in the advance deposit agency funds, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

In accordance with **Government Auditing Standards**, we have also issued a report dated December 20, 1999 on our consideration of Jefferson Parish Clerk of Court's internal control and a report dated December 20, 1999 on its compliance with laws and regulations.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
December 20, 1999

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
Combined Balance Sheet
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999

	Governmental Fund Type General Fund	Fiduciary Fund Type Agency Funds	Account Groups		Total (Memorandum Only)
			General Fixed Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$3,944,832.41	\$20,726,235.36	\$ -0-	\$ -0-	\$24,671,067.77
Investments	-0-	6,341,614.50	-0-	-0-	6,341,614.50
Securities deposited with clerk of court	-0-	901,125.79	-0-	-0-	901,125.79
Receivables	305,507.69	62,751.85	-0-	-0-	368,259.54
Other assets	64,879.00	-0-	-0-	-0-	64,879.00
Due from other funds	793,760.26	-0-	-0-	-0-	793,760.26
Fixed assets	-0-	-0-	2,120,844.32	-0-	2,120,844.32
Other debits:					
Amount to be provided for retirement of general long-term obligations	-0-	-0-	-0-	788,292.33	788,292.33
Total assets and other debits	\$5,108,979.36	\$28,031,727.50	\$ 2,120,844.32	\$ 788,292.33	\$36,049,843.51
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 250,233.81	\$ -0-	\$ -0-	\$ -0-	\$ 250,233.81
Due to other funds	-0-	793,760.26	-0-	-0-	793,760.26
Unsettled deposits	-0-	26,848,163.77	-0-	-0-	26,848,163.77
Accrued payroll	219,299.49	-0-	-0-	-0-	219,299.49
Compensated absences payable	-0-	-0-	-0-	788,292.33	788,292.33
Payroll deductions payable	39,077.73	-0-	-0-	-0-	39,077.73
Other liabilities	-0-	389,803.47	-0-	-0-	389,803.47
Total liabilities	508,611.03	28,031,727.50	-0-	788,292.33	29,328,630.86
Equity and other credits:					
Investment in general fixed assets	-0-	-0-	2,120,844.32	-0-	2,120,844.32
Fund balance - unreserved, undesignated	4,600,368.33	-0-	-0-	-0-	4,600,368.33
Total equity and other credits	4,600,368.33	-0-	2,120,844.32	-0-	6,721,212.65
Total liabilities, equity, and other credits	\$5,108,979.36	\$28,031,727.50	\$ 2,120,844.32	\$ 788,292.33	\$36,049,843.51

The accompanying notes are an integral part of this statement.

STATEMENT A

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 1999

REVENUES

Marriage licenses and permits	\$ 121,025.00
Charges for services:	
Court costs, fees, and charges	1,447,514.46
Fees for:	
Recording legal documents	3,557,473.75
Certified copies of documents	558,268.25
Fees transferred from advance deposit funds	4,053,490.48
Miscellaneous	95,054.47
Interest	1,101,259.09
Miscellaneous	234,363.63
Intergovernmental	<u>11,700.00</u>
Total revenues	<u>11,180,149.13</u>

EXPENDITURES

Current:	
General government:	
Personal services and related benefits	8,370,897.70
Operating services	644,725.46
Materials and supplies	463,873.00
Travel and other charges	34,904.65
Capital outlay	267,935.12
Intergovernmental	<u>203,132.98</u>
Total expenditures	<u>9,985,468.91</u>

<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>1,194,680.22</u>
---	---------------------

OTHER FINANCING USES

Debt service:	
Principal	6,405.98
Interest	<u>242.02</u>
Total other financing uses	<u>6,648.00</u>

<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES</u>	1,188,032.22
--	--------------

<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>3,412,336.11</u>
--	---------------------

<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,600,368.33</u>
------------------------------------	------------------------

The accompanying notes are an integral part of this statement.

STATEMENT B

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Marriage licenses and permits	\$ 116,678.67	\$ 121,025.00	\$ 4,346.33
Charges for services:			
Court costs, fees, and charges	1,427,704.80	1,447,514.46	19,809.66
Fees for:			
Recording legal documents	3,505,686.34	3,557,473.75	51,787.41
Certified copies of documents	551,152.73	558,268.25	7,115.52
Fees transferred from advanced deposit funds	4,052,922.29	4,053,490.48	568.19
Miscellaneous	91,835.41	95,054.47	3,219.06
Interest	1,091,865.64	1,101,259.09	9,393.45
Miscellaneous	186,986.15	234,363.63	47,377.48
Intergovernmental	-0-	11,700.00	11,700.00
Total revenues	11,024,832.03	11,180,149.13	155,317.10
<u>EXPENDITURES</u>			
Current:			
General government:			
Personal services and related benefits	8,442,193.07	8,370,897.70	71,295.37
Operating services	657,511.94	644,725.46	12,786.48
Materials and supplies	425,477.51	463,873.00	(38,395.49)
Travel and other charges	36,050.95	34,904.65	1,146.30
Capital outlay	300,000.00	267,935.12	32,064.88
Intergovernmental	207,535.35	203,132.98	4,402.37
Total expenditures	10,068,768.82	9,985,468.91	83,299.91
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	956,063.21	1,194,680.22	238,617.01
<u>OTHER FINANCING USES</u>			
Debt service:			
Principal	6,405.98	6,405.98	-0-
Interest	242.02	242.02	-0-
Total other financing uses	6,648.00	6,648.00	-0-
<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES</u>	949,415.21	1,188,032.22	238,617.01
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	3,412,336.11	3,412,336.11	-0-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 4,361,751.32	\$ 4,600,368.33	\$ 238,617.01

The accompanying notes are an integral part of this statement.

STATEMENT C

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1999

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Jefferson Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the clerk of court includes all funds, account groups, activities, et cetera, for which the clerk of court is financially accountable. As a legally separate fiscally independent elected parish official, the clerk of court is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Clerk of Court has the right to sue and be sued in its own name and the right to buy sell, lease and mortgage property in its own name. Other than certain operating expenditures of the clerk's office that are paid or provided by the parish council as required by Louisiana law, the clerk of court is fiscally independent. Accordingly, the clerk of court is a separate governmental reporting entity. Certain units of local government over which the clerk of court exercises no financial accountability, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish 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, 1999

C. FUND ACCOUNTING

The clerk of court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the clerk of court are classified into two categories: governmental (General Fund) and fiduciary (Agency Funds). These funds are described as follows:

General Fund

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

Agency Funds

The Advance Deposit and Registry of Court account for assets held as an agent for others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying general-purpose financial statements have been prepared on the modified accrual basis of accounting. The General Fund uses the following practices in recording revenues and expenditures:

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

D. BASIS OF ACCOUNTING - continued

Revenues

Revenues are recorded in the year they are earned to the extent available to fund current year obligations. Interest income on investments is recorded when the investments have matured and the income is available.

Expenditures

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

E. BUDGET PRACTICES

The proposed budget for the 1999 fiscal year was made available for public inspection at the clerk's office on June 4, 1998. The proposed budget, prepared on the modified-accrual basis of accounting, was published in the official journal ten days prior to the public hearing. The budget hearing was held at the clerk's office on June 29, 1998. 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 accompanying financial statements are as adopted on June 29, 1998, or as amended on June 14, 1999. Outstanding encumbrances which are not canceled are included as part of the next year's budget.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS - continued

Under state law, the clerk of court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost which approximates market.

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish council are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are presented at historical cost.

H. 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 until September 1st with a supervisor's permission. Also, no accumulated leave from prior administrations is allowed to be carried forward.

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.

The cost of leave privileges, computed in accordance with GASB Statement No. 16, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

J. TOTAL COLUMN ON THE COMBINED BALANCE SHEET

The total column on the combined balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. SECURITIES DEPOSITED WITH CLERK OF COURT

Securities deposited with the clerk of court, stated at \$901,125.79 represent securities (principally stocks and bonds) which the courts have ordered to be held by the clerk of court until judgment has been rendered in court litigation. The carrying value of these securities is the amount assigned by the court. These securities are held in the clerk of court's vault and may only be released to litigants upon order of the court.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At June 30, 1999, the clerk of court had cash and cash equivalents and investments (book balances) totaling \$31,240,965.04 as follows:

Petty cash and on hand	\$	960.00
Demand deposits		24,670,107.77
Time deposits (maturity over 90 days)		6,341,614.50
Investments - deferred compensation agency fund		<u>228,282.77</u>
Total		<u>\$31,240,965.04</u>

These deposits are stated at cost, which approximates market, except for investments in the Deferred Compensation Agency Fund, which are reported at 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, 1999 the clerk had \$31,276,625.48 in deposits (collected bank balances). These deposits are secured from risk by \$402,698.99 of federal deposit insurance and \$30,873,926.49 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS - continued

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the clerk of court or its agent in the clerk of court's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the clerk of court's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the clerk of court's name.

Even though the deposits covered by pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Equipment	\$ <u>1,892,813.73</u>	\$ <u>240,331.12</u>	\$ <u>12,300.53</u>	\$ <u>2,120,844.32</u>

Capital outlay expenditures, shown on statement B, are reconciled with the amounts reflected as additions above, as follows:

Statement B - capital outlay	\$267,935.12
Less infrastructure development not capitalized	<u>27,604.00</u>
Total additions to fixed assets	\$ <u>240,331.12</u>

5. RECEIVABLES

The receivables of \$368,259.54 at June 30, 1999 are as follows:

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

5. RECEIVABLES- continued

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Customer accounts receivable	\$ 61,859.21	\$61,836.21	\$123,695.42
Criminal fees	58,152.56	-0-	58,152.56
Court attendance	98,080.00	-0-	98,080.00
Intergovernmental	14,850.00	-0-	14,850.00
Family Support fees	69,241.92	-0-	69,241.92
Miscellaneous	<u>3,324.00</u>	<u>915.64</u>	<u>4,239.64</u>
 Total	 <u>\$305,507.69</u>	 <u>\$62,751.85</u>	 <u>\$368,259.54</u>

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

6. PENSION PLAN

Substantially all employees of the Jefferson Parish Clerk of Court 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.

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

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

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

6. PENSION PLAN - continued

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Jefferson Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Jefferson Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jefferson Parish Clerk of Court's contribution to the System for the years ended June 30, 1999, 1998 and 1997, were \$583,926.64, 554,706.92 and \$564,814.13 respectively, equal to the required contributions for each year.

7. HEALTH CARE AND LIFE INSURANCE BENEFITS

In accordance with the Employee Handbook, the Jefferson Parish Clerk of Court provides certain health care and life insurance benefits for its active and retired employees. Since July 1, 1988 those benefits for active employees and similar benefits for retirees are provided through an insurance company whose monthly premiums are paid jointly by the employee, retiree and the clerk of court. The clerk of court recognizes the cost of providing these benefits (the clerk's portion of premiums) as an expenditure when the monthly premiums are due. Retirees are eligible for these benefits if they retire from the Jefferson Parish Clerk of Court with at least twelve years of service. The Clerk pays more than 50% of the retirees premium for these benefits. During the current year, the net expenditure to the clerk of court for post retirement insurance coverage was approximately \$63,000.00 for 48 retirees.

8. LEASES

Operating lease expenditures for the year ended June 30, 1999 were \$4,825.50. Capital lease expenditures for the year ended June 30, 1999 were \$6,648.00. As of June 30, 1999 the Jefferson Parish Clerk of Court had no annual future commitments under noncancelable operating or capital leases.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

9. YEAR 2000 COMPLIANCE

The clerk of court has committed \$600,000.00 to upgrade computer hardware and software in an effort to strengthen the system of internal control over advance deposit funds. This commitment includes complete replacement of the civil docket software with a package that is year 2000-compliant. Design of the new system was begun during the fiscal year ended June 30, 1998 and is scheduled to be in place by January 1, 2000.

10. CHANGES IN AGENCY FUND UNSETTLED DEPOSITS

A summary of changes in agency fund unsettled deposits follows:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit Funds-				
District Courts	\$15,684,975.12	\$ 7,311,573.55	\$ 6,008,801.73	\$16,987,746.94
First Parish Court	978,213.82	913,782.34	917,031.24	974,964.92
Second Parish Court	703,705.87	727,255.71	619,248.87	811,712.71
Registry of Court Fund	<u>8,962,478.63</u>	<u>4,863,649.75</u>	<u>5,752,389.18</u>	<u>8,073,739.20</u>
Total	<u>\$26,329,373.44</u>	<u>\$13,816,261.35</u>	<u>\$13,297,471.02</u>	<u>\$26,848,163.77</u>

11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in the general long-term obligations for the year ended June 30, 1999:

	Balance July 1, 1998	Net Decrease	Balance June 30, 1999
Compensated absences	\$ 792,015.43	\$ 3,723.10	\$ 788,292.33
Capital lease	<u>6,405.98</u>	<u>6,405.98</u>	<u>-0-</u>
	<u>\$ 798,421.41</u>	<u>\$ 10,129.08</u>	<u>\$ 788,292.33</u>

At June 30, 1999, employees of the clerk of court had accumulated \$788,292.33 of employee leave benefits, computed in accordance with GASB Statement No. 16.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

12. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at June 30, 1999, are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$793,760.26	\$ -0-
Agency funds:		
District Courts	-0-	587,298.85
First Parish Court	-0-	50,512.64
Second Parish Court	-0-	37,563.76
Registry of Court	<u>-0-</u>	<u>118,385.01</u>
Total	<u>\$793,760.26</u>	<u>\$793,760.26</u>

13. 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 \$ 59,289.22 were incurred in the current year, which has been recorded as a current-year expenditure in the General Fund.

14. 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 \$899,630.22 for office supplies, equipment, and fees. These expenditures are not reflected in the accompanying financial statements.

15. EXCESS FUND BALANCE

Louisiana Revised Statute 13.785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 1999, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 1999

16. 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 employee's, 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.

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 IRC Section 457 into a trust for the exclusive benefit of participants and their beneficiaries. This change was allowed as early as January 1, 1997, but must be done by January 1, 1999. 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.

SUPPLEMENTAL INFORMATION

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
As of and for the Year Ended June 30, 1999

FIDUCIARY FUND TYPE - AGENCY FUNDS

ADVANCE DEPOSIT FUNDS

The Advance Deposit Funds, as provided by Louisiana Revised Statute 13:842, are used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

REGISTRY OF COURT FUND

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

JEFFERSON PARISH CLERK OF COURT
 Gretna, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS
 Combining Balance Sheet, June 30, 1999

	Advance Deposit Funds			Registry of Court	Total
	District Court	First Parish Court	Second Parish Court		
ASSETS					
Cash and cash equivalents	\$ 12,555,137.80	\$ 518,194.01	\$ 560,052.08	\$ 7,092,851.47	\$ 20,726,235.36
Investments	5,320,000.00	575,000.00	300,000.00	146,614.50	6,341,614.50
Securities deposited with clerk of court	-0-	-0-	-0-	901,125.79	901,125.79
Receivables	9,969.40	875.00	375.00	51,532.45	62,751.85
Total asset	\$ 17,885,107.20	\$ 1,094,069.01	\$ 860,427.08	\$ 8,192,124.21	\$ 28,031,727.50
LIABILITIES					
Due to other funds	\$ 587,298.85	\$ 50,512.64	\$ 37,563.76	\$ 118,385.01	\$ 793,760.26
Unsettled deposits	16,987,746.94	974,964.92	811,712.71	8,073,739.20	26,848,163.77
Other liabilities	310,061.41	68,591.45	11,150.61	-0-	389,803.47
Total liabilities	\$ 17,885,107.20	\$ 1,094,069.01	\$ 860,427.08	\$ 8,192,124.21	\$ 28,031,727.50

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS
Schedule of Changes in Unsettled Deposits
For the Year Ended June 30, 1999

	<u>ADVANCE DEPOSIT FUNDS</u>				<u>Total</u>
	<u>District Court</u>	<u>First Parish Court</u>	<u>Second Parish Court</u>	<u>Registry of Court Fund</u>	
<u>UNSETTLED DEPOSITS AT BEGINNING OF YEAR</u>	<u>\$ 15,684,975.12</u>	<u>\$ 978,213.82</u>	<u>\$ 703,705.87</u>	<u>\$ 8,962,478.63</u>	<u>\$26,329,373.44</u>
<u>ADDITIONS</u>					
Deposits:					
Suits and successions	6,717,702.90	888,341.71	702,777.77	-0-	8,308,822.38
Adoptions	16,900.00	-0-	-0-	-0-	16,900.00
Judgments	-0-	-0-	-0-	4,393,301.39	4,393,301.39
Jury additions	-0-	-0-	-0-	292,754.45	292,754.45
Interest earned	576,970.65	25,440.63	24,477.94	177,593.91	804,483.13
Total additions	<u>7,311,573.55</u>	<u>913,782.34</u>	<u>727,255.71</u>	<u>4,863,649.75</u>	<u>13,816,261.35</u>
Total	<u>22,996,548.67</u>	<u>1,891,996.16</u>	<u>1,430,961.58</u>	<u>13,826,128.38</u>	<u>40,145,634.79</u>
<u>REDUCTIONS</u>					
Fees transferred to					
General Fund	3,271,318.57	443,764.89	338,407.02	-0-	4,053,490.48
Settlements to litigants	446,332.45	191,416.37	35,621.09	5,623,731.99	6,297,101.90
Witness, appraisers, keepers, etc.	128,833.29	1,328.45	682.00	-0-	130,843.74
Stenographer's fees	106,600.00	30,980.00	26,760.00	-0-	164,340.00
Sheriff's fees	869,915.22	151,360.90	130,302.32	-0-	1,151,578.44
Judicial expense fund	216,676.50	-0-	-0-	-0-	216,676.50
Domestic relation fund	55,868.00	-0-	-0-	-0-	55,868.00
Judges' supplemental compensation fund	231,923.30	49,374.00	43,776.00	-0-	325,073.30
Interest transferred to General Fund	576,970.65	25,440.63	24,477.94	-0-	626,889.22
Building Fund	102,163.85	23,366.00	19,222.50	-0-	144,752.35
Commissioner of Insurance	2,199.90	-0-	-0-	-0-	2,199.90
Jury Reductions	-0-	-0-	-0-	128,657.19	128,657.19
Total reductions	<u>6,008,801.73</u>	<u>917,031.24</u>	<u>619,248.87</u>	<u>5,752,389.18</u>	<u>13,297,471.02</u>
<u>UNSETTLED DEPOSITS AT END OF YEAR</u>	<u>\$16,987,746.94</u>	<u>\$ 974,964.92</u>	<u>\$ 811,712.71</u>	<u>\$ 8,073,739.20</u>	<u>\$26,848,163.77</u>

SCHEDULE 2

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 1999

Internal Control and Compliance Material
to the Financial Statements

Item 1 - Description of Finding - The clerk of court had not reconciled the individual deposit balances of the advance deposit funds, totaling \$17,366,894.81 at June 30, 1998 with their cash balances. The advance deposit funds are agency funds used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid. The funds are held in the advance deposit funds until there is some court or other action making it appropriate for the clerk of court to disburse the funds.

The clerk of court, in his agency capacity, has the responsibility to identify individual deposits balances within the advance deposit fund and to reconcile the total of those balances with the total balance of the funds. The lack of this reconciliation increases the risk that individual balances may be misstated and that the transactions that are based on the balances could be in error.

Corrective action has been partially taken. The task of identifying the individual deposit balances involves a tremendous amount of detailed research of individual case files, portions of which have been completed. Because of the enormity of the task, it is difficult to predict when this work will be 100% completed.

The planned corrective action to be taken, includes, conjunctively, with the task of identifying individual deposit balances, a new computer system is being installed which will facilitate the record keeping and enable the required reconciliation procedures.

SCHEDULE 3

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - CONTINUED
For the Year Ended June 30, 1999

Internal Control and Compliance Material
to the Financial Statements

- Item 2 - Description of Finding - The clerk of court had not refunded all balances on suits which have been inactive for five or more years. Louisiana Revised Statue 13:842(B) required the clerk of court to refund to litigants any balances for suits that have been inactive for five or more years. These inactive, unclaimed balances only serve to complicate the accounting and reconciliation of the advance deposit funds.

Corrective action has been partially taken. The task of identifying the individual deposit balances which have been inactive for five more years involves a tremendous amount of detailed research of individual case files. Because of the enormity of the task, it is difficult to predict when this work will be 100% completed.

The planned corrective action includes, conjunctively with the task of identifying individual deposit balances, a new computer system is being installed which will facilitate the record keeping and enable the identification of deposit balances which should be refunded.

- Item 3 - Description of finding - The collateral to secure bank deposits was deficient by an amount of \$253,427.85 as of June 30, 1998. State law requires that all deposits be collateralized.

Corrective action was taken and adequate collateral was in place as of June 30, 1999.

SCHEDULE 3 - CONTINUED

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 1999

Internal Control and Compliance Material
to the Financial Statements

Item 1 - Description of Finding - The clerk of court has not reconciled the individual deposit balances of the advance deposit funds, totaling \$18,774,424.57 at June 30, 1999 with their cash balances. The advance deposit funds are agency funds used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid. The funds are held in the advance deposit funds until there is some court or other action making it appropriate for the clerk of court to disburse the funds.

The clerk of court, in his agency capacity, has the responsibility to identify individual deposits balances within the advance deposit fund and to reconcile the total of those balances with the total balance of the funds. The lack of this reconciliation increases the risk that individual balances may be misstated and that the transactions that are based on the balances could be in error.

Corrective action has been partially taken. The task of identifying the individual deposit balances involves a tremendous amount of detailed research of individual case files, portions of which have been completed. Because of the enormity of the task, it is difficult to predict when this work will be 100% completed.

The planned corrective action to be taken, includes, conjunctively, with the task of identifying individual deposit balances, a new computer system is being installed which will facilitate the record keeping and enable the required reconciliation procedures.

Contact person - Jon A. Gegenheimer, Clerk of Court

Anticipated Completion Date - June 30, 2000.

SCHEDULE 4

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS - CONTINUED
For the Year Ended June 30, 1999

Internal Control and Compliance Material
to the Financial Statements

Item 2 - Description of Finding - The clerk of court has not refunded all balances on suits which have been inactive for five or more years. Louisiana Revised Statute 13:842(B) required the clerk of court to refund to litigants any balances for suits that have been inactive for five or more years. These inactive, unclaimed balances only serve to complicate the accounting and reconciliation of the advance deposit funds.

Corrective action has been partially taken. The task of identifying the individual deposit balances which have been inactive for five more years involves a tremendous amount of detailed research of individual case files. Because of the enormity of the task, it is difficult to predict when this work will be 100% completed.

The planned corrective action includes, conjunctively with the task of identifying individual deposit balances, a new computer system is being installed which will facilitate the record keeping and enable the identification of deposit balances which should be refunded.

Contact person - Jon A. Gegenheimer, Clerk of Court

Anticipated Completion Date - June 30, 2000.

INTERNAL CONTROL AND COMPLIANCE

UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS

2067 PAXTON STREET

HARVEY, LOUISIANA 70058

(504) 347-0441

FAX (504) 347-0467

DOUGLAS L. UZEE, CPA
(1926 - 1988)
JAMES L. BUTLER, CPA
N. PAUL ARCENEUX, CPA
PATRICK J. BOWES, CPA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF THE GENERAL-PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

HONORABLE JON A. GEGENHEIMER
JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

We have audited the general-purpose financial statements of the Jefferson Parish Clerk of Court as of and for the year ended June 30, 1999, and have issued our report thereon dated December 20, 1999, which report contained an opinion qualified for the effects of not reconciling the individual balances in the advance deposit funds. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jefferson Parish Clerk of Court's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 the following instance of noncompliance that is are required to be reported herein under **Government Auditing Standards** and which is material to the general-purpose financial statements.

Finding - The Clerk of Court has not refunded all balances on suits which have been inactive for five or more years. Louisiana Revised Statue 13:842(B) requires the Clerk of Court to refund to litigants any balances for suits that have been inactive for five or more years. These inactive, unclaimed balances only serve to complicate the accounting and reconciliation of the advance deposit funds.

The Clerk of Court should identify inactive suit balances, by years, and refund the older balances to the litigants as required by statute.

Management's Response - The task of identifying the individual deposit balances which have been inactive for five or more years involves a tremendous amount of detailed research of individual case files. Because of the enormity of the task, it is not possible to predict when this work will be completed. Conjunctively with the task of identifying individual deposit balances, a new computer system is being installed which will facilitate the record keeping and enable us to identify deposit balances which should be refunded.

The finding of noncompliance described above was also included in our report dated December 23, 1998 on our audit of the general-purpose financial statements for the year ended June 30, 1998.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jefferson Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted the following matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. This same matter was included in our reports on the audits of the general-purpose financial statements for the years ended June 30, 1995, 1996, 1997 and 1998. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Jefferson Parish Clerk of Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements.

Condition - The clerk of court has not reconciled the individual deposit balances of the advance deposit funds, totaling \$18,774,424.57 at June 30, 1999 with their cash balances. The advance deposit funds are agency funds used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid. The funds are held in the advance deposit funds until there is some court or other action making it appropriate for the clerk of court to disburse the funds.

The clerk of court, in his agency capacity, has the responsibility to identify individual deposit balances within the advance deposit funds and to reconcile the total of those balances with the total balance of the funds. The lack of this reconciliation increases the risk that individual balances may be misstated and that the transactions that are based on the balances could be in error.

Management's Response: - The task of identifying the individual deposit balances involves a tremendous amount of detailed research of individual case files, portions of which have been completed. Because of the enormity of the task, it is not possible to predict when this work will be completed. Conjointly with the task of identifying individual deposit balances, a new computer system is being installed which will facilitate the record keeping and enable us to perform the required reconciliation procedures.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned function. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the management of the Jefferson Parish Clerk of Court and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
December 20, 1999