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JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2005

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

Release Date 5-3-06

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
Annual Financial Report
For the Year Ended June 30, 2005

TABLE OF CONTENTS

Required Supplemental Information

MANAGEMENT'S DISCUSSION & ANALYSIS	3-7
<i>Financial Section:</i>	8
INDEPENDENT AUDITOR'S REPORT	9-10
<i>Government Wide Financial Statements:</i>	
Statement of Net Assets	11
Statement of Activities	12
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Fund	13
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Assets	14
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund to the Statement of Activities	16
Statement of Fiduciary Net Assets	17
<i>Notes to the Financial Statements</i>	18-29
<i>Required Supplemental Information</i>	30
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	31

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
Annual Financial Report
For the Year Ended June 30, 2005

TABLE OF CONTENTS - CONTINUED

Reports Required by Government Auditing Standards:

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND ON OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	33-35
Status of Prior Year Findings	36-37
Corrective Action Plan	38-39

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

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, 2005. 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 Assets 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 13. For governmental activities, these statements tell 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.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated except for the effects of such adjustments, if any, as might have been determined to be necessary had we reconciled the individual deposit balances in the advance deposit agency funds. The auditor, is providing a lesser degree of assurance on the Required Supplemental Information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the Annual Report.

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 Assets 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 assets and changes in them. You think of net assets-the difference between assets and liabilities-as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator 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, 2005

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 call 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 Assets 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, 2005 assets exceeded liabilities by \$7,132,328.06 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 - (1) Invested in capital assets of \$1,955,809.46 including the cost of office equipment, furniture, and fixtures, and automobiles, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$5,176,518.60 representing the portion available to maintain the continuing obligations to citizens and creditors.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2005

FINANCIAL HIGHLIGHTS - continued

- The governmental funds reported total ending fund balance of \$5,700,508.62, which was classified as unreserved. This compares to the prior year ending fund balance of \$7,395,222.68 showing a decrease of \$1,694,714.06 during the current year.
- Total spending for all judicial activities was \$14,791,295.50 for the year, which was \$2,111,548.41 more than the program revenues for these activities -\$12,679,747.09

The Statement of Net Assets and the Statement of Activities reports only one type of activity - governmental activities. All of the basic judicial services are reported as this type. Fines and fees charges 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 assets decreased by \$1,143,560.83 as a result of this year's operations. The overall financial position decreased during the fiscal year ending June 30, 2005. Unrestricted net assets-the part of net assets that can be used to finance day-to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements-absorbed most of the decrease this year. The balance in net assets represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today, including all of our non-capital liabilities, we would have \$7,132,328.06 left.

The Clerk of Court's total revenues for the year in governmental activities were \$13,647,734.67 (\$12,679,747.09 in charges for services and \$967,987.58 in general revenues). The total cost of all judicial programs and services was \$14,791,295.50.

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. Looking at funds 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 the overall financial health.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2005

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

As the Clerk of Court completed the year, its governmental fund reported a fund balance of \$5,700,508.62. This reflects a decrease of \$1,694,714.06 from last year. This decrease is primarily the result of the events and programs described within the analysis of the governmental activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund's June 30, 2005 fund balance was revised by \$(2,714,304.23). Major budget amendments were approved as follows:

- (A) Budgeted revenues were decreased by \$1,650,171.48 of which the largest revision was in court costs, fees and charges which were decreased by \$517,014.21 and recording legal documents which were decreased by \$1,268,763.40. These adjustments were required to reflect actual trends.
- (B) Budgeted expenditures increased \$1,064,132.75 mainly due to increased personal services and related benefits.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2005 was \$1,955,809.46.

This year there were \$982,091.43 of additions and no deletions to capital assets. More detailed information about the capital assets is presented in Note (4) to the financial statements.

DEBT

At year-end, the Jefferson Parish Clerk of Court had \$523,990.02 of long-term compensated absences.

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 the new laws and regulations.

The June 30, 2006 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, 2005.

JEFFERSON PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2005

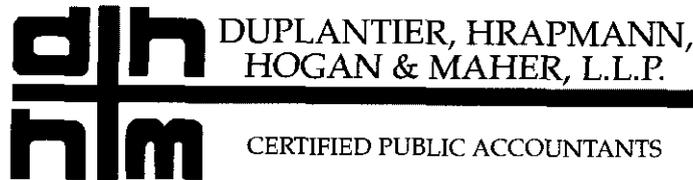
ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - continued

Salaries are budgeted for fiscal year ending June 30, 2006 at the same level as fiscal year ending June 30, 2005. Health insurance expense is budgeted as \$200,000 lower for fiscal year ending June 30, 2006 due to decreased premiums. Capital expenditures are budgeted as \$200,000 for the implementation of improved computer capacity and additional office furniture and equipment.

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



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SOCIETY OF LA. C.P.A.s

INDEPENDENT AUDITOR'S REPORT

January 30, 2006

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

We have audited the accompanying basic financial statements of the Jefferson Parish Clerk of Court as of and for the year ended June 30, 2005 as listed in the table of contents. These basic financial statements are the responsibility of the Jefferson Parish Clerk of Court's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

Except as discussed in the following paragraph, 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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, 2005. Therefore, we were unable to verify the unsettled deposit balances due to others at June 30, 2005, in the advance deposit agency funds, totaling \$28,341,065. 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 basic 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 as of June 30, 2005 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and budgetary comparison information on pages 3 through 7 and page 31 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2006 on our consideration of the Jefferson Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Duplantier, Hagemann, Hogan & Neher LLP

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Statement of Net Assets
June 30, 2005

	General Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 5,271,742.67
Accounts receivable	362,044.83
Due from others	1,108,906.70
Capital assets, net of accumulated depreciation	<u>1,955,809.46</u>
Total assets	<u>8,698,503.66</u>
<u>LIABILITIES</u>	
Current:	
Accounts payable	466,793.40
Accrued payroll and taxes	261,610.51
Compensated absences	<u>313,781.67</u>
Total current liabilities	<u>1,042,185.58</u>
Non-Current:	
Compensated absences	<u>523,990.02</u>
Total liabilities	<u>1,566,175.60</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	1,955,809.46
Unrestricted	<u>5,176,518.60</u>
Total net assets	\$ <u>7,132,328.06</u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Statement of Activities
For the Year Ended June 30, 2005

EXPENDITURES/EXPENSES

Personal services and related benefits	\$ 11,998,110.55
Operating services	1,638,280.58
Materials and supplies	659,734.52
Travel and other charges	62,666.23
Depreciation	<u>432,503.62</u>
Total expenditures/expenses	<u>14,791,295.50</u>

PROGRAM REVENUES

Charges for services	12,094,733.72
Licenses and permits	96,911.20
Other	<u>488,102.17</u>
Total program revenues	<u>12,679,747.09</u>

GENERAL REVENUES

Grants	5,006.00
Interest earnings	<u>962,981.58</u>
Total general revenues	<u>967,987.58</u>

NET ASSETS

Change in net assets	(1,143,560.83)
Beginning of year	<u>8,275,888.89</u>
End of year	\$ <u><u>7,132,328.06</u></u>

See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Balance Sheet - Governmental Fund
June 30, 2005

<u>ASSETS</u>		<u>General Fund</u>
Cash and cash equivalents	\$	5,271,742.67
Accounts receivable		362,044.83
Due from others		<u>1,108,906.70</u>
Total assets	\$	<u>6,742,694.20</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts payable and accrued expenses	\$	466,793.40
Accrued payroll and taxes		261,610.51
Compensated absences		<u>313,781.67</u>
Total liabilities		1,042,185.58
Fund Balance:		
Unreserved - undesignated		<u>5,700,508.62</u>
Total liabilities and fund balance	\$	<u>6,742,694.20</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 Assets
June 30, 2005

Total fund balance - governmental fund (fund financial statement)	\$ 5,700,508.62
Amounts reported for governmental activities in the statement of net assets (government-wide financial statements) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of the assets is \$3,618,248.79, and the accumulated depreciation is \$1,662,439.33.	1,955,809.46
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:	
Compensated absences payable	<u>(523,990.02)</u>
Total net assets of governmental activities (government-wide financial statements)	\$ <u>7,132,328.06</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, 2005

REVENUES

Charges for services	\$ 12,094,733.72
Licenses and permits	96,911.20
Intergovernmental	5,006.00
Interest earnings	962,981.58
Other	<u>488,102.17</u>
Total revenues	<u>13,647,734.67</u>

EXPENDITURES

Personal services and related benefits	11,999,675.97
Operating services	1,638,280.58
Materials and supplies	659,734.52
Travel and other	62,666.23
Capital outlay	<u>982,091.43</u>
Total expenditures	<u>15,342,448.73</u>

Deficiency of revenues over expenditures (1,694,714.06)

Fund balance - beginning of year 7,395,222.68

Fund balance - end of year \$ 5,700,508.62

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, 2005

Net change in fund balance - governmental
fund (fund financial statements) \$ (1,694,714.06)

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

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

Asset purchases capitalized	\$ 982,091.43	
Depreciation expense	<u>(432,503.62)</u>	
		549,587.81

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

Decrease in long-term compensated absences		<u>1,565.42</u>
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Change in net assets of governmental activities (government-wide financial statements)		<u>\$ (1,143,560.83)</u>
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See accompanying notes to the financial statements.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Statement of Fiduciary Net Assets
June 30, 2005

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 23,149,749.60	\$ 14,622,535.43	\$ 37,772,285.03
Investments	6,195,000.00	0.00	6,195,000.00
Securities deposited with the Clerk of Court	0.00	1,087,553.24	1,087,553.24
Receivables	<u>24,031.30</u>	<u>0.00</u>	<u>24,031.30</u>
Total Assets	<u>\$ 29,368,780.90</u>	<u>\$ 15,710,088.67</u>	<u>\$ 45,078,869.57</u>
<u>LIABILITIES</u>			
Due to others	\$ 650,878.24	\$ 458,028.46	\$ 1,108,906.70
Unsettled deposits	28,341,065.31	15,189,558.80	43,530,624.11
Other liabilities	<u>376,837.35</u>	<u>62,501.41</u>	<u>439,338.76</u>
Total liabilities	<u>\$ 29,368,780.90</u>	<u>\$ 15,710,088.67</u>	<u>\$ 45,078,869.57</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, 2005

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.

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) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Reporting Entity - continued

The other three criteria of financial accountability do not pertain to the Clerk of Court when applying them as a means of identifying potential component units of the Jefferson Parish Council.

The Clerk of Court includes all funds, account groups and activities et cetera, that are within the oversight responsibility of the Clerk of Court. Other local governmental units over which the Clerk of Court exercises no oversight responsibility are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the Clerk of Court.

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. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The Clerk of Court utilizes only one Governmental Fund - The General Fund.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting - continued

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

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the General Fund Statements on pages 11 and 13, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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.

The amounts reflected in the General Fund Statements on pages 11 and 13, use the modified accrual basis of accounting. 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. The governmental funds use 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, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Measurement Focus/Basis of Accounting - continued

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).

Deferred Revenues

Deferred revenues 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 revenue is removed from the combined balance sheet and the revenue is recognized.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Assets and the Statement of Activities (pages 11 and 12) 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. Information contained in these financial statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Measurement Focus/Basis of Accounting - continued

Program Revenues

Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

RECONCILIATION

On pages 14 and 16 are the reconciliations of the items reflected in the fund financial statements to the government-wide financial statements.

E. Budget Practices

The proposed budget for the 2005 fiscal year was made available for public inspection at the clerk's office on June 14, 2004. 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 30, 2004. 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 30, 2004, and as amended on June 10, 2005. Outstanding encumbrances which are not canceled are included as part of the next year's budget.

F. Cash and Cash Equivalents and Investments

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

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 until September 1st with a supervisor's permission, and beyond September 1st with permission of the Clerk of Court.

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 clerk's recognition and measurement criteria for compensated absences follows: GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements. The current portion of the liability for compensated absences is reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The noncurrent portion of the liability is not reported in the fund 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.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. CAPITAL ASSETS - continued

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>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.

2. SECURITIES DEPOSITED WITH CLERK OF COURT

Securities deposited with the clerk of court, stated at \$1,087,553.24 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, 2005, the clerk of court had cash and cash equivalents and investments (book balances) totaling \$49,239,027.70 as follows:

Petty cash and on hand	\$ 1,980.00
Demand deposits	43,042,047.70
Time deposits (maturity over 90 days)	<u>6,195,000.00</u>
Total	<u>\$ 49,239,027.70</u>

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS - continued

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, 2005, the clerk had \$49,639,870.99 in deposits (collected bank balances). These deposits are secured from risk by \$300,000.00 of federal deposit insurance and \$49,339,870.99 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

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

4. CAPITAL ASSETS

Capital assets and depreciation activity for the year follows:

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Furniture and fixtures	\$ 443,263.73	\$ 360,107.10	\$ 0	\$ 803,370.83
Office equipment	2,122,089.07	601,381.33	0	2,723,470.40
Automobiles	<u>70,804.56</u>	<u>20,603.00</u>	<u>0</u>	<u>91,407.56</u>
Total	<u>2,636,157.36</u>	<u>982,091.43</u>	<u>0</u>	<u>3,618,248.79</u>
Less accumulated depreciation				<u>1,662,439.33</u>
Net capital assets				<u>\$1,955,809.46</u>

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

5. RECEIVABLES

The receivables of \$386,076.13 at June 30, 2005 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Customer accounts receivable	\$108,087.00	\$24,031.30	\$ 132,118.30
Criminal fees	93,365.71	-0-	93,365.71
Court attendance	37,340.00	-0-	37,340.00
Family Support fees	105,002.04	-0-	105,002.04
Others	<u>18,250.08</u>	<u>-0-</u>	<u>18,250.08</u>
Total	<u>\$362,044.83</u>	<u>\$24,031.30</u>	<u>\$ 386,076.13</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 20 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 to 3 1/3 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 with a limit of increase of 10% in each of the last three years of measurement. 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 and amended 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.

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 14.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

6. PENSION PLAN - continued

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, 2005, 2004 and 2003, were \$1,131,321.32, \$835,192.52, and \$681,789.90 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 12 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 \$338,900.00 for 86 retirees.

8. LEASES

The Jefferson Parish Clerk of Court incurred no lease expenditures for the year ended June 30, 2005. As of June 30, 2005 the Jefferson Parish Clerk of Court had no annual future commitments under noncancellable capital leases.

9. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2005.

Compensated absences payable at June 30, 2004	\$525,555.44
Reductions	<u>(1,565.42)</u>
Compensated absences	<u>\$523,990.02</u>

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Notes to the Financial Statements - continued
As of and for the Year Ended June 30, 2005

9. LONG-TERM OBLIGATIONS - continued

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of June 30, 2005:

Compensated absences current portion	\$ 313,781.67
Compensated absences long-term portion	<u>523,990.02</u>
Total compensated absences	\$ <u>837,771.69</u>

10. 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 \$87,150.18 were incurred in the current year, which has been recorded as a current-year expenditure in the General Fund.

11. 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 \$824,863.69 for office supplies, equipment, and fees. These expenditures are not reflected in the accompanying financial statements.

12. EXCESS FUND BALANCE

Louisiana Revised Statute 13.785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 2005 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, 2005

13. DEFERRED COMPENSATION PLAN

The Clerk offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Clerk 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 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.

Required Supplemental Information

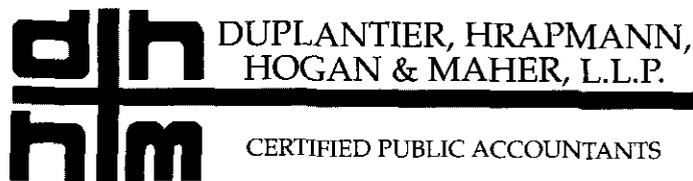
JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Marriage licenses and permits	\$ 96,124.32	\$ 93,502.56	\$ 96,911.20	\$ 3,408.64
Charges for services:				
Court costs, fees, and charges	2,170,284.83	1,653,270.62	1,724,323.52	71,052.90
Fees for:				
Recording legal documents	7,133,384.20	5,864,620.80	5,954,710.50	90,089.70
Certified copies of documents	763,840.80	717,300.12	739,540.07	22,239.95
Fees transferred from advanced deposit funds	3,573,951.99	3,500,191.99	3,587,959.07	87,767.08
Miscellaneous	116,185.44	76,203.87	88,200.56	11,996.69
Interest	463,354.39	800,000.00	962,981.58	162,981.58
Miscellaneous	499,929.95	456,788.48	488,102.17	31,313.69
Intergovernmental	11,700.00	16,706.00	5,006.00	(11,700.00)
Total revenues	14,828,755.92	13,178,584.44	13,647,734.67	469,150.23
<u>EXPENDITURES</u>				
Current:				
General government:				
Personal services & related benefits	11,343,835.25	12,160,120.20	11,999,675.97	160,444.23
Operating services	1,793,466.28	1,634,060.84	1,527,164.25	106,896.59
Materials & supplies	563,394.67	679,880.79	659,734.52	20,146.27
Travel and other charges	58,378.17	54,088.84	62,666.23	(8,577.39)
Capital outlay	600,000.00	978,662.09	982,091.43	(3,429.34)
Intergovernmental	193,987.44	110,381.80	111,116.33	(734.53)
Total expenditures	14,553,061.81	15,617,194.56	15,342,448.73	274,745.83
<u>EXCESS (DEFICIENCY) OF EXPENDITURES</u>	275,694.11	(2,438,610.12)	(1,694,714.06)	743,896.06
<u>FUND BALANCE</u>				
<u>AT BEGINNING OF YEAR</u>	7,157,794.39	7,395,222.68	7,395,222.68	0.00
<u>FUND BALANCE AT END OF YEAR</u>	\$ 7,433,488.50	\$ 4,956,612.56	\$ 5,700,508.62	\$ 743,896.06

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL INFORMATION SCHEDULES



MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.

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(1919-1990)
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(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.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

January 30, 2006

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

We have audited the financial statements of the Jefferson Parish Clerk of Court as of and for the year ended June 30, 2005, and have issued our report thereon dated January 30, 2006, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 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. 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 judgment, 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 financial statements.

Condition:

The Clerk of Court has not reconciled the individual deposit balances of the advance deposit funds, totaling \$28,341,065 at June 30, 2005 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 balance could be in error.

Management's Response:

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 not possible to predict when this work will be 100% completed. A new computer system has been installed which will facilitate the record keeping and enable us to perform the required reconciliation procedures.

As of January 11, 2006, the detailed research of individual case files already in process was entered into the new computer system.

Contact person – Jon A. Gegenheimer, Clerk of Court

Anticipated Completion Date – June 30, 2006

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 caused by error or fraud in amounts that would be material in relation to the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*.

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) 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:

Corrective action has been partially taken. 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 100% completed. A new computer system has been installed which will facilitate the record keeping and enable the identification of deposit balances which should be refunded.

As of January 11, 2006, the detailed research of individual case files already in process was entered into the new computer system.

Contact person – Jon A. Gegenheimer, Clerk of Court

Anticipated Completion Date – June 30, 2006

This report is intended solely for the information and use of 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hapmann, Hogan & Nator LLP

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2005

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 \$27,029,290.94 at June 30, 2004 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 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.

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. A new computer system has been installed which will facilitate the record keeping and enable the required reconciliation procedures.

As of January 11, 2006 the detailed research of individual case files already in process was entered into the new computer system.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - CONTINUED
For the Year Ended June 30, 2005

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 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 or 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. A new computer system has been installed which will facilitate the record keeping and enable the identification of deposit balances which should be refunded.

As of January 11, 2006 the detailed research of individual case files already in process was entered into the new computer system.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2005

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 \$28,341,065.31 at June 30, 2005 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. A new computer system has been installed which will facilitate the record keeping and enable the required reconciliation procedures.

As of January 11, 2006 the detailed research of individual case files already in process was entered into the new computer system.

Contact person - Jon A. Gegenheimer, Clerk of Court

Anticipated Completion Date - June 30, 2006.

JEFFERSON PARISH CLERK OF COURT
Gretna, Louisiana
CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS - CONTINUED
For the Year Ended June 30, 2005

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 or 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. A new computer system has been installed which will facilitate the record keeping and enable the identification of deposit balances which should be refunded.

As of January 11, 2006 the detailed research of individual case files already in process was entered into the new computer system.

Contact person - Jon A. Gegenheimer, Clerk of Court

Anticipated Completion Date - June 30, 2006