

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS

REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND

FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT

AS OF AND  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of the **Registry of Court Fund and Garnishment Funds on Deposit Fund with the Clerk of Court of the Second City Court for the Parish of Orleans (SCC)**, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise SCC's financial statements as listed in the Table of Contents.

As further discussed in NOTE 1, the financial statements present only the activities of the Registry of Court and the Garnishment Funds on Deposit Fund.

In our opinion, the accompanying financial statements referred to above present fairly in all material respects the respective financial position of the Registry of Court Fund and Garnishment Funds on Deposit with SCC as of December 31, 2021, and the respective changes in net position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

**Basis for Opinion**

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 of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SCC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SCC's ability to continued as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatement are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* , we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

*Auditor's Responsibilities for the Audit of the Financial Statements, Continued*

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCC's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- conclude whether, in our judgment there are conditions or events, considered in the aggregate, that raise substantial doubt about SCC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 9 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

**Other Matters, Continued**

of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of changes in fiduciary liabilities for the Registry of Court (Schedule I), Garnishment Funds on Deposit Fund (Schedule II), Schedule of Compensation, Benefits, and Other Payments to Clerk of Court, (Schedule III) and the Justice System Funding Schedule (Collecting/Disbursing) (Schedule IV) are presented for purposes of additional analysis and are not a required part of the financial statements.

The statements of changes in fiduciary liabilities for the Registry of Court (Schedule I), Garnishment Funds on Deposit Fund (Schedule II), Schedule of Compensation, Benefits, and Other Payments to Clerk of Court (Schedule III), and the Justice System Funding Schedule (Collecting/Disbursing) (Schedule IV) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

**Other Matters, Continued**

*Other Supplementary Information, Continued*

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements of changes in fiduciary liabilities for the Registry of Court and Garnishment Funds on Deposit Fund and Schedule of Compensation, Benefits and Other Payments to Clerk of Court and the Justice System Funding Schedule (Collecting/Disbursing) are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 on our consideration of SCC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of SCC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCC's internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022



**CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
MANAGEMENT DISCUSSION AND ANALYSIS**

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The Management Discussion and Analysis of the **Registry of Court and Garnishment Funds on Deposit Fund with the Second City Court for the Parish of Orleans (SCC)** provides an overview of the financial activities of these funds for the year ended December 31, 2021.

**FINANCIAL HIGHLIGHTS**

Both the Registry of Court and Garnishment Funds on Deposit Fund are Fiduciary (Agency) funds maintained by the Clerk of SCC. The assets in each fund equal the liabilities in each fund. Assets consist entirely of cash on deposit in banks, or being held for deposit. The Funds are custodial in nature and do not involve measurement of the results of operations. The Funds use the modified accrual basis of accounting. There are no budgets prepared for either of these funds because the change in liabilities are determined entirely by the legal filings with SCC and deposit requirements determined on a case by case basis by the Clerk of SCC during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial activities consists of a statement of fiduciary net position of the two funds and a supplementary statement of changes in fiduciary liabilities on both funds. It does not present information on the Judicial Expense Fund for the Civil District Court for the Parish of Orleans nor does it provide a government-wide perspective of SCC.

The statement of fiduciary liabilities provide information only on each of the two funds controlled by the Clerk of SCC and the supplementary information only provides information on each fund.

**CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
MANAGEMENT DISCUSSION AND ANALYSIS, CONTINUED**

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**OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED**

The Registry of Court Fund is used as a depository for all collections by the Clerk of SCC. Amounts collected for the Judicial Expense Fund and the Garnishment Funds on Deposit Fund are deposited directly to the Judicial Expense Fund accordingly. It also serves as a depository for funds ordered by the court to be held until judgment has been rendered in litigation. The Garnishment Funds on Deposit Fund is used as a depository for funds deposited on behalf of the attorney of an employer by a plaintiff in order to pay for the attorney's fees, and answering any interrogatories. Interest earnings on monies deposited in these two funds are transferred annually to the Capital Improvement Fund for use by the Clerk of SCC in its capital expenditures. The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the financial statement.

**USING THIS ANNUAL REPORT**

SCC's audit report consists of a financial statement that shows information about SCC's statement of fiduciary net position.

Our auditor has provided assurance in his independent auditor's report located immediately preceding this Management's Discussion and Analysis. That opinion is unmodified with respect to the financial statements. Varying degrees of assurances are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

**ANALYSIS OF FINANCIAL STATEMENTS**

The cash balance in the Registry of Court Fund at December 31, 2021 was \$31,774 and December 31, 2020 was \$45,640. The Fiduciary Liabilities at the beginning of the year (January 1, 2021 and January 1, 2020 respectively) for Registry of Court Fund, totaled \$45,640 and \$37,821 and \$31,774 and \$45,640 at the end of 2021 and 2020, respectively. This change represent an decrease of \$13,866 for 2021 and an increase of \$7,819 for 2020 in Fiduciary Liabilities, respectively.

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REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
MANAGEMENT DISCUSSION AND ANALYSIS, CONTINUED**

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**ANALYSIS OF FINANCIAL STATEMENTS, CONTINUED**

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The cash balance in the Garnishment Funds on Deposit Fund at December 31, 2021 was \$47,687 at December 31, 2020 was \$47,259. The Fiduciary Liabilities at the beginning of the year (January 1, 2021 and January 1, 2020, respectively) for Garnishment Funds on Deposit Fund, totaled \$47,259 and \$45,932 and \$47,687 and \$47,259 at the end of 2021 and 2020, respectively. This change represents an increase in Fiduciary Liabilities of \$428 and \$1,327 for 2021 and 2020, respectively.

Further, the cash balance of \$31,774 and \$45,640 at December 31, 2021 and at December 31, 2020, respectively in the Registry of Court Fund are composed of funds held for unsettled litigation pending court orders.

Likewise, the cash balance in the Garnishment Funds on Deposit Fund at December 31, 2021 was \$47,687 and \$47,259 at December 31, 2020 respectively, represent funds on deposit and due to unsettled litigation.

This financial report is designed to provide a general overview of the operations of the **Registry of Court and the Garnishment Funds on Deposit Fund** of the Clerk of SCC for those who have an interest in the finances of these two funds. If you have any questions about this report or need additional information, contact the Clerk of Second City Court for the Parish of Orleans, at 225 Morgan Street New Orleans, LA 70114.

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2021

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ASSETS

	<u>REGISTRY OF COURT FUND</u>	<u>GARNISHMENT FUNDS ON DEPOSIT FUND</u>	<u>TOTAL</u>
Cash and cash equivalents (NOTE 3)	\$31,774	\$47,687	\$79,461
Total assets	<u>31,774</u>	<u>47,687</u>	<u>\$79,461</u>

LIABILITIES AND NET POSITION

Unsettled deposits (NOTE 3)	\$31,774	\$47,687	\$79,461
Total liabilities	<u>31,774</u>	<u>47,687</u>	<u>79,461</u>
Net position	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of these statements.

**CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
NOTES TO THE FINANCIAL STATEMENT**

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NOTE 1 - BACKGROUND AND GENERAL DATA:

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 other duties and powers provided by law. The Clerk of SCC is elected for a four-year term.

SCC is required to receive cash and property deposits according to Court order which will remain in SCC's custody until ordered by Court to disburse.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying statement of fiduciary net position of the Registry of Court Fund and Garnishment Funds on Deposit Fund maintained by the SCC has been prepared in conformity with accounting principles generally accepted in the United States of America 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.

Reporting Entity

The Clerk of the SCC is an independently elected official. All Registry of Court Fund collections of fees, court costs and charges by the SCC are deposited directly to the Judicial Expense Fund for the Civil District Court. The Judicial Expense Fund for the Civil District Court maintains and operates the parish courthouse in which the Clerk's office is located and provides funds for operating expenses and equipment and furniture of the Clerk's office. Because the Clerk of the SCC is an independently elected official and the Judicial Expense Fund for the Civil District Court, does not possess the ability to impose its will over the SCC, or the potential that it will provide a financial benefit to, impose a financial burden on, the SCC under this criteria is not a component unit.

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
NOTES TO THE FINANCIAL STATEMENT, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Reporting Entity, Continued

The accompanying financial statements and supplementary information present information only on the Registry of Court Fund and Garnishment Funds on Deposit Fund maintained by the SCC and do not present information on the Judicial Expense Fund for the Civil District Court, the general government services provided by that governmental unit, or any other governmental unit(s) that comprise the financial reporting entity.

Fund Accounting, Measurement Focus, and Basis of Accounting

The SCC uses fund accounting to report on its financial position and changes in fiduciary liabilities. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregation of transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the SCC are classified as fiduciary (agency) funds. These funds are described as follows:

Fiduciary Funds - Agency Funds

The Registry of Court Fund and Garnishment Funds on Deposit Fund account for assets held by the SCC as an agent for others. Agency 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 and use the modified accrual basis of accounting.

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
NOTES TO THE FINANCIAL STATEMENT, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Net Position

The SCC has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets, title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components: net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Restricted and Unrestricted Resources

It is SCC's practice, where applicable to first apply restricted resources when expenses are incurred for the restricted purpose.

CLERK OF COURT  
 SECOND CITY COURT FOR THE PARISH OF ORLEANS  
 REGISTRY OF COURT FUND  
 AND  
 GARNISHMENT FUNDS ON DEPOSIT FUND  
 NOTES TO THE FINANCIAL STATEMENT, CONTINUED

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NOTE 3 - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include amounts in interest-bearing demand deposits, and investments with original maturities of 90 days or less. Under state law, the SCC may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America or under the laws of the United States of America.

At December 31, 2021, the carrying amount of SCC's deposits were \$79,461 and the collected bank balance \$79,461. A breakout of cash and cash equivalents and by fund follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Market Value</u>	<u>Interest Rate (%)</u>	
Interest bearing				
demand deposits	\$52,767	\$52,767	.05	
Pooled funds	<u>26,694</u>	<u>26,694</u>	.0376(*)	
	<u>\$79,461</u>	<u>\$79,461</u>		
		<u>Registry</u>	<u>Garnishment</u>	<u>Total</u>
Louisiana Asset Management				
Pool Funds		\$ -0-	\$26,694	\$26,694
Interest bearing demand deposits		<u>31,774</u>	<u>20,993</u>	<u>52,767</u>
Total cash and cash				
equivalents		<u>\$31,774</u>	<u>\$47,687</u>	<u>\$79,461</u>

(\*) Daily rate at December 31, 2021.



**CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
NOTES TO THE FINANCIAL STATEMENT, CONTINUED**

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NOTE 3 - CASH AND CASH EQUIVALENTS, CONTINUED:

These interest bearing demand deposits and pool funds are stated at cost, which approximates market. Custodial credit risk, as it relates to cash deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned. 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. 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.

The demand deposits were not exposed to custodial credit risk since interest bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

In accordance with GASB Codification Section 150.165, the assets held in the Louisiana Asset Management Pool (LAMP), an external investment pool, are not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

The investment in the Louisiana Asset Management Pool (LAMP), an external investment pool, is stated at the value of the pool shares, which is the same as the fair value, and has been categorized as cash equivalents. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The Corporation is governed by a board of directors comprised of the State treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
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GARNISHMENT FUNDS ON DEPOSIT FUND  
NOTES TO THE FINANCIAL STATEMENT, CONTINUED

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NOTE 3 - CASH AND CASH EQUIVALENTS, CONTINUED:

assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates.

The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

GASB Statement No. 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial risk, concentration of credit risk, interest risk, and foreign currency risk for all public entity investments.

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GARNISHMENT FUNDS ON DEPOSIT FUND  
NOTES TO THE FINANCIAL STATEMENT, CONTINUED**

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NOTE 3 - CASH AND CASH EQUIVALENTS, CONTINUED:

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

1. Credit Risk: LAMP is rated AAAM by Standard and Poor's.
2. Custodial Credit Risk: LAMP participants' investment in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. SCC's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of Credit Risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest Rate Risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement.
5. Foreign Currency Risk: Not applicable to 2a7-like pools.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc.

CLERK OF COURT  
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NOTES TO THE FINANCIAL STATEMENT, CONTINUED

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NOTE 4 - FIDUCIARY FUNDS - AGENCY FUNDS:

Registry of Court Fund

All amounts collected by SCC are deposited in the Registry of Court Fund. Amounts collected on behalf of the Orleans Parish Judicial Expense Fund and the Garnishment Funds on Deposit Fund are deposited directly to the Judicial Expense fund. The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, also accounts for funds that have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawal of these funds can be made only upon order of the court.

Garnishment Funds on Deposit Fund

The Garnishment Funds on Deposit Fund as provided by Louisiana Revised Statute 13:3927, provides that a plaintiff suing out a writ of garnishment, shall apply to the court for the issuance of such a writ. The plaintiff shall deposit with the court the sum of fifteen dollars, as a fee for the attorney for the employer who answers such interrogatories.

In October, 2004 excess monies in the Garnishment Funds on Deposit Fund bank account were transferred to the Louisiana Asset Management Pool ("LAMP") to yield higher benefits while maintaining liquidity. LAMP enables local officials to pool and collectively invest funds to benefit from competitive yields, lower fees and the same level of investment management otherwise available to large institutional investors. Said monies remained in the LAMP throughout 2021.

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NOTES TO THE FINANCIAL STATEMENT, CONTINUED**

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NOTE 5 - INTEREST EARNINGS:

As authorized by Louisiana Revised Statute 13:2165, interest earnings on all monies collected by the SCC is to be used for capital expenditures of the SCC. Interest earnings are transferred annually to the Capital Improvement Fund for that purpose.

**SUPPLEMENTARY INFORMATION**

SCHEDULE I

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
STATEMENT OF CHANGES IN FIDUCIARY LIABILITIES  
(REGISTRY OF COURT FUND)  
FOR THE YEAR ENDED DECEMBER 31, 2021

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REGISTRY OF  
COURT FUND

Additions

Collections form Litigants	\$ 3,880
Interest earnings	<u>17</u>
Total additions	<u>3,897</u>

Reductions

Payments to Litigants upon court order	<u>17,763</u>
Total reductions	<u>17,763</u>
Net decrease	(13,866)
Liabilities, beginning of year	<u>45,640</u>
Liabilities, end of year	<u>\$ 31,774</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
STATEMENT OF CHANGES IN FIDUCIARY LIABILITIES  
(GARNISHMENT FUNDS ON DEPOSIT FUND)  
FOR THE YEAR ENDED DECEMBER 31, 2021

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GARNISHMENT FUNDS  
ON DEPOSIT FUND

<u>Additions</u>	
Interest earnings	\$ 23
Other	<u>510</u>
Total additions	<u>533</u>
<u>Reductions</u>	
Payment upon court order	<u>105</u>
Total reductions	<u>105</u>
Net increase	428
Liabilities, beginning of year	<u>47,259</u>
Liabilities, end of year	<u>\$47,687</u>

See Independent Auditors' Report on Supplementary Information.



SCHEDULE III

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO CLERK OF COURT  
FOR THE YEAR ENDED DECEMBER 31, 2021

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Clerk of Court Name: **Darren Lombard**

NONE

NOTE: The Clerk of Court is paid through the Judicial Expense Fund of the Civil District Court for the Parish of Orleans which is the subject of an audit by the **JEF's** independent accountants.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
JUSTICE SYSTEM FUNDING SCHEDULE (COLLECTING/DISBURSING)  
FOR THE YEAR ENDED DECEMBER 31, 2021

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	First Six Month Period Ended <u>June 30, 2021</u>	Second Six Month Period Ended <u>December 31, 2021</u>
Beginning cash on hand	\$ 16,376	\$ -0-
Add: Collections from litigants	<u>510</u>	<u>3,880</u>
Subtotal collections	<u>510</u>	<u>3,880</u>
Less: Funds held by SCC	<u>-0-</u>	<u>2,973</u>
Less: Payments to 3 <sup>rd</sup> parties, etc.	<u>16,886</u>	<u>907</u>
Subtotal disbursements	<u>16,886</u>	<u>3,880</u>
Total ending balance	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE: All collections for the **Judicial Expense Fund** are reported on its audited financial statements performed by JEF's independent accountants.

See Independent Auditors' Report on Supplementary Information.

INDEPENDENT AUDITORS' 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

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of New Orleans**  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America the financial statements of the Registry of Court Fund and Garnishment Funds on Deposit Fund with the **Clerk of the Second City Court for the Parish of Orleans (SCC)** and related notes to the financial statements as of and for the year ended December 31, 2021, and have issued our report thereon dated June 30, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SCC's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SCC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SCC's internal control over financial reporting.

INDEPENDENT AUDITORS' 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  
(CONTINUED)

**Internal Control Over Financial Reporting, Continued**

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of SCC's financial statements will not be prevented, or detected and corrected, by SCC on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SCC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' 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  
(CONTINUED)

**Purpose of this Report**

The purpose of this report is solely 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 effectiveness of SCC's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCC's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSITS FUND  
SUMMARY SCHEDULE OF FINDING AND RESPONSE  
FOR THE YEAR ENDED DECEMBER 31, 2021

---

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted:	No

*Federal Awards*

Internal control over major programs:	
• Material weakness(es) identified?	Not Applicable
• Significant deficiency (ies) identified?	Not applicable
Type of auditor's report issued on compliance for major programs:	Not Applicable
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of <i>the Uniform Guidance</i> ?	Not Applicable

**CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Section I - Summary of Auditors' Results, Continued**

*Federal Awards, Continued*

Identification of Major Programs:	Not Applicable
Dollar threshold used to distinguish between Type A and Type B programs:	Not Applicable
Auditee qualified as low-risk auditee?	Not Applicable

**Section II - Financial Statement Finding and Response**

No financial statement findings were reported for the year ended December 31, 2021.

**Section III - Federal Award Findings and Questioned Costs**

No federal award findings and questioned costs were reported for the year ended December 31, 2021 as SCC received no federal awards.

CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2021

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**Section IV - Status of Prior Year's Finding and Response**

**Reference Number**

2018-001

**Criteria**

Management is required to establish and maintain internal controls designed to reasonably ensure completeness in recorded financial transactions. Further, such a system should ensure the safeguarding of assets.

**Condition**

Considering the personnel size of SCC's operations, the elements of an effective segregation of duties are not practical and/or cost effective.

**Context**

Total collections and disbursements for the year ended December 31, 2018, were \$388,444 and \$400,377, respectively.

**Cause**

Size of personnel coupled with the level of operations.

**Effect or Potential Effect**

The potential risk for misappropriation of assets.



CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND  
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2021

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**Section IV - Status of Prior Year's Finding and Response, Continued**

**Reference Number, Continued**

2018-001

**Recommendation**

Management should continue to evaluate and assess areas for segregation of duties in its custodial and recordation functions. It is our understanding that through discussion with management, the cost of further segregation through additional personnel outweighs the associated benefit.

**Current Status**

Resolved.

**CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUND**

**EXIT CONFERENCE**

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An exist conference and other meetings were held with representatives of **Clerk of Court Second City Court for the Parish of Orleans Registry of Court Fund and Garnishment Funds on Deposit Fund**. The contents of this report were discussed and *management is in agreement. Those persons who participated in this and previous discussions are as follows:*

**CLERK OF COURT  
SECOND CITY COURT FOR THE PARISH OF ORLEANS  
REGISTRY OF COURT FUND  
AND  
GARNISHMENT FUNDS ON DEPOSIT FUNDS**

Darren Lombard\* -- Clerk of Court

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA -- Partner  
Jeremy Buffington -- Senior

\*Darren Lombard is responsible for management's response included in this report.



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**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL**

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

Management of **Second City Court for the Parish of Orleans (SCC)** is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the financial statement of SCC as of and for the year ended December 31, 2021, we considered SCC's internal control as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statement and not for the purpose of expressing an opinion on the effectiveness of SCC's internal control. Accordingly, we do not express an opinion on the effectiveness of SCC's internal control.

We previously reported on SCC's internal control in our report dated June 30, 2022. This letter does not affect our report dated June 30, 2022 on the financial statements of SCC.

INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
(CONTINUED)

*Current Year's Other Matters*

2021

No other matters were reported for the current year ended December 31, 2021.

*Prior Year's Other Matters*

No prior year other matters were reported for the year ended December 31, 2021.

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions or require further details, please do not hesitate to call.

This report is intended solely for the information of management of SCC, and is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

*Bruno & Tervalon LLP*

BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
New Orleans, Louisiana

June 30, 2022



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**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL**

To the Honorable Darren Lombard  
**Clerk of Court**  
**Second City Court for the Parish of Orleans**  
New Orleans, Louisiana

Management of **Second City Court for the Parish of Orleans (SCC)** is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the financial statement of **SCC** as of and for the year ended December 31, 2021, we considered **SCC's** internal control as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statement and not for the purpose of expressing an opinion on the effectiveness of **SCC's** internal control. Accordingly, we do not express an opinion on the effectiveness of **SCC's** internal control.

We previously reported on **SCC's** internal control in our report dated June 30, 2022. This letter does not affect our report dated June 30, 2022 on the financial statements of **SCC**.

INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
(CONTINUED)

*Current Year's Other Matters*

2021

No other matters were reported for the current year ended December 31, 2021.

*Prior Year's Other Matters*

No prior year other matters were reported for the year ended December 31, 2021.

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions or require further details, please do not hesitate to call.

This report is intended solely for the information of management of SCC, and is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022

SECOND CITY COURT OF THE PARISH OF ORLEANS  
CIVIL DISTRICT COURT

INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2021



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**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

---

To the Clerk  
**Second City Court of the Parish of Orleans**  
**Civil District Court**  
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by **Second City Court of the Parish of Orleans - Civil District Court (SCC)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the year ended December 31, 2021. SCC's management is responsible for those compliance and control areas identified in the SAUP.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the following procedures described either for the purpose for which this report has been requested or for any other purpose.



INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)

The procedures and related findings to the SAUP are as follows:

Written Policies and Procedures

1. Procedures

We obtained SCC's written policies and procedures and reported whether those written policies and procedures addressed each of the following categories and subcategories, as applicable:

- a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) *Disbursements*, including processing, reviewing, and approving.
- d) *Receipts*, including receiving, recording, preparing deposits, and completeness of all collections.
- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Credit Cards (and debit cards, fuel cards, P-cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)

Written Policies and Procedures, Continued

1. Procedures

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) *Ethics*, including (1) prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, are notified of any changes to SCC's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) SCC's responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Finding

SCC operates under the adopted policies and procedures of the Judicial Expenses Fund of the Civil District Court for the Parish of Orleans (JEF).

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Bank Reconciliations**

**2. Procedures**

We obtained a listing of SCC's bank accounts for the year ended December 31, 2021 from management and management's representation that the listing is complete.

**Finding**

**No exceptions noted.**

**3. Procedures**

Using the listing provided by management, we selected SCC's two (2) bank accounts with collection activities. For each of the bank accounts selected, we obtained bank statements and reconciliations for one month in the fiscal period and observed that:

- a) Bank reconciliations bear evidence that they have been prepared within two (2) months of the related statements closing date:

**Finding**

**No exceptions noted. Funds collected in the form of filing fees to include other mandated fees are deposited directly into the JEF's bank account.**

**No formal bank account reconciliations were performed on the two (2) accounts. (Registry and Garnishment) Management maintains an excel spreadsheet that lists all transactions.**

**Management's Response**

Considering the size of SCC, the excel format while not formal, serves the purpose of a reconciliation. The funds are reconciled at the JEF level.

- b) Bank reconciliation bears evidence that a member of management/board member with no involvement in the transactions associated with the bank account; has reviewed each bank reconciliation.

INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)

Bank Reconciliations, Continued

3. Procedures, Continued

Finding

No formal bank account reconciliations were performed for the twelve months ended December 31, 2021 to facilitate review for the two (2) accounts with collection activities. However, the Clerk maintains an excel spreadsheet listing all transactions.

Management's Response

Considering the size of SCC, the excel format while not formal, serves the purpose of a reconciliation. The funds are reconciled at the JEF level.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Finding

No exceptions noted based on our review of bank statements.

Collections

4. Procedures

We obtained a listing of cash deposit site(s) and collection location(s) for the year ended December 31, 2021 and management's representation that the listing is complete. We selected the only deposit site.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**5. Procedures**

Using the listing provided by management, we randomly SCC's cash collection location. For the cash collection location selected we observed that job duties are properly segregated to the collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**Finding**

**No exceptions noted.**

- b) Each employee responsible for cash collection is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling location documentation (e.g. pre-numbered receipts) to the deposit.

**Finding**

**No exceptions noted.**

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger posting to each other and to the deposit.

**Finding**

**No exceptions noted.**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**6. Procedures, Continued**

We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was in force during the fiscal period.

**Finding**

**No exceptions noted. Insurance is procured and maintained at the JEF level.**

**7. Procedures**

We randomly selected two (2) deposit dates for each of the two (2) bank accounts selected for procedure #3 under "Bank Reconciliations" with collection transactions into SCC bank accounts. We obtained supporting documentation for each of the four (4) deposits and:

- a) We observed that receipts are sequentially pre-numbered.

**Finding**

**As a practice, the SCC uses case numbers to receipt collections. For deposits remitted to the JEF account, the receipts are accounted for at that level through the Software System utilized by JEF.**

**Management's Response**

Management through the use of a spreadsheet, accounts for all collections via sequentially issued case numbers.

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**7. Procedures, Continued**

**Finding**

**As a practice, the SCC uses case numbers to receipt collections. For deposits to the JEF account, the receipts are accounted for at that level.**

**Management's Response**

Management through the use of a spreadsheet, accounts for all collections via sequentially issued case numbers.

- c) Traced the deposit slip total to the actual deposit per the bank statement.

**Finding**

**No exceptions noted for the Registry and Garnishment accounts.**

**As a practice, the SCC uses case numbers to receipt collections. For deposits to the JEF account, the receipts are accounted for at that level.**

- d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored in a locked safe or drawer).

**Finding**

**Generally deposits are made within a week into the Garnishment and Registry funds.**

**Management's Response**

Considering the personnel size of SCC's office, daily deposits is not practical.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**7. Procedures, Continued**

- e) Traced the actual deposit per the bank statement to the general ledger.

**Finding**

**Filing fees and mandated fees were deposited into JEF's bank account. For the Garnishment and Registry, we noted no exceptions.**

**Fraud Notice**

**8. Procedures**

We obtained a listing of misappropriations of public funds and assets, where applicable during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that SCC reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which SCC is domiciled.

**Finding**

**No exceptions noted.**

**9. Procedures**

We observed that SCC has posted, on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Finding**

**No exceptions noted.**



**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Information Technology Disaster Recovery/Business Continuity**

**10. Procedures**

We performed the following procedures, verbally discussed the results with management and reported.

- a) We obtained and inspected SCC's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g. tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) We obtained and inspected SCC's most recent documentation that it has tested verified that its backups can be restored and observed evidence that the test/verification was successfully performed within the past 3 months.
- c) We obtained a listing of SCC's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Finding**

**We performed the procedures and discussed the results with management.**

**Further, we noted that the referenced processes are performed at the JEF level.**

INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)

\*\*\*\*\*

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

The purpose of this report is solely to describe the scope of testing performed on those compliance and control areas identified in the SAUP, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022