

**FUNDS ON DEPOSIT**  
**CLERK OF FIRST CITY COURT**  
**FOR THE PARISH OF ORLEANS**  
**FINANCIAL STATEMENT**  
**TOGETHER WITH**  
**INDEPENDENT AUDITOR'S REPORT**

**As of and for the**  
**Year Ended December 31, 2008**

**REBOWE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**CONSULTANTS**  
A PROFESSIONAL CORPORATION

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

5/13/09

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# **REBOWE & COMPANY**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Ellen M. Hazeur  
**Clerk of First City Court**  
**for the Parish of Orleans**  
New Orleans, Louisiana

We have audited the accompanying Statement of Financial Position of Funds on Deposit with the Clerk of First City Court for the Parish of Orleans, as of December 31, 2008. This financial statement is the responsibility of the Clerk of First City Court for the Parish of Orleans. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As discussed in Note 1, the financial statement presents only the activities of the Garnishment Fund and the Registry of Court Fund of the Clerk of First City Court for the Parish of Orleans and do not purport to and do not present fairly the financial position as of December 31, 2008, results of operations and cash flows of the First City Court for the Parish of Orleans in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Funds on Deposit with the Clerk of First City Court for the Parish of Orleans as of December 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statement but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of determination and presentation

of required 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 April 17, 2009 on our consideration of the Organization's internal control structure and on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The Schedule of Changes in Fiduciary Liabilities of the Garnishment Fund and the Registry of Court Fund as presented on page 12 is presented for purposes of supplementary analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

*Rebowe & Company*

April 17, 2009

**CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2008**

This Management's Discussion and Analysis of the Garnishment Fund and Registry of Court Fund of the Clerk of First City Court for the Parish of Orleans provides an overview of the financial activities of the two above funds for the year ended December 31, 2008.

**Financial Highlights**

Both the Garnishment and Registry of Court Funds are fiduciary (Agency) funds maintained by the Clerk of First City Court for the Parish of Orleans. The assets in each fund equal the liabilities in each fund. Assets consist entirely of cash or cash equivalents in banks. 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 the Funds because the changes in assets and liabilities are determined entirely by the legal filings with and deposit requirements determined on a case-by-case basis by the Clerk of First City Court for the Parish of Orleans during the year.

**Overview of the Financial Statement**

The accompanying financial statement consists of a Statement of Financial Position for the two (2) funds and a supplementary Schedule of Changes in Fiduciary Liabilities for both funds. It does not present information on the Orleans Parish Judicial Expense Fund nor does it provide a government-wide perspective of the Clerk of First City Court for the Parish of Orleans.

The Statement of Financial Position provides information only on each of the two funds controlled by the Clerk of First City Court for the Parish of Orleans and the supplementary information only provides information on each fund.

The Garnishment Fund accounts for deposits with the Clerk's Office from plaintiffs in the sum of fifteen dollars as a fee for the attorney for the employer who answers such interrogatories. The Registry of Court Fund accounts for funds that have been ordered by the court to be held on deposit until judgment has been rendered in court litigation. These funds are withdrawn only upon order of the court to named recipients.

The cash and cash equivalents balance in the Garnishment and Registry of Court Funds at December 31, 2008 were \$429,974 and \$327,084, respectively. The cash balances were due to litigants and also represented undistributed interest that was due to the Capital Improvement Fund of the Clerk of First City Court for the Parish of Orleans.

These liability balances are as follows:

	<u><b>Garnishment</b></u>	<u><b>Registry</b></u>
Deposits Due Litigants	\$ 305,667	\$ 313,626
Undistributed Interest	<u>124,307</u>	<u>13,458</u>
	<u><u>\$ 429,974</u></u>	<u><u>\$ 327,084</u></u>

**CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
For the Year Ended December 31, 2008**

The total Garnishment Fund liability for the year ended December 31, 2008 stated at \$429,974 reflected an increase of \$7,492 as compared to the prior year balance of \$422,482. The total Registry of Court Fund liability for the year ended December 31, 2008 stated at \$327,084 reflected an increase of \$38,719 as compared to the prior year balance of \$288,365. The total Garnishment Fund and Registry of Court Funds Net Assets reflected an increase of \$7,470 and \$38,678, respectively, as the increase in Fund Liabilities as noted above were offset by bank charges of \$22 and \$41, respectively.

Interest earned on the funds deposited in the both the Garnishment and Registry of Court Funds are due to the Capital Improvement fund for use by the Clerk of First City Court for the Parish of Orleans. Any amounts that have not been transferred as of the year-end are reported as undistributed interest.

The Notes to the Financial Statement provide additional information that is essential for a full understanding of the data provided in the fund financial statement. This financial report is designed to provide a general overview of the operations of the Garnishment Fund and the Registry of Court Fund of the Clerk of First City Court for the Parish of Orleans 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 Honorable Ellen M. Hazeur, Clerk of First City Court, 421 Loyola Avenue, Room 201, New Orleans, Louisiana 70112.

**CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS**  
**FUNDS ON DEPOSIT**  
**STATEMENT OF FINANCIAL POSITION**  
**For the Year Ended December 31, 2008**

Assets:	<u>Garnishment</u>	<u>Registry</u>	<u>Total</u>
Cash and Cash Equivalents	<u>\$ 429,974</u>	<u>\$ 327,084</u>	<u>\$ 757,058</u>
Total Assets	<u>\$ 429,974</u>	<u>\$ 327,084</u>	<u>\$ 757,058</u>
Liabilities:			
Deposits Due Litigants	\$ 305,667	\$ 313,626	\$ 619,293
Undistributed Interest	<u>124,307</u>	<u>13,458</u>	<u>137,765</u>
Total Liabilities	<u>\$ 429,974</u>	<u>\$ 327,084</u>	<u>\$ 757,058</u>
Net Assets:	-	-	-
Total Liabilities and Net Assets	<u>\$ 429,974</u>	<u>\$ 327,084</u>	<u>\$ 757,058</u>

See accompanying notes to financial statement.

**CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General** - The Clerk of First City Court for the Parish of Orleans was created by LSA-R.S. 13:2165. The Registry of Court Fund of the First City Court for the Parish of Orleans was created by LSA-R.S. 13:2165.

The Clerk of First City Court for the Parish of Orleans is the custodian of the Garnishment Fund and the Registry of Court Fund. The Clerk is required to receive cash and/or property deposits according to court order, which will remain the cash and/or property of the litigants until the Clerk is court ordered to disburse the cash and/or property.

Certain administrative expenses associated with the Registry of Court Fund are paid from a portion of the interest earned from the state authorized investment of these funds while held on deposit.

***Basis of Presentation***

The accompanying Statement of Financial Position of the Garnishment Fund and the Registry of Court Fund maintained by the Clerk of First City Court for the Parish of Orleans have 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.

The accompanying financial statement and supplementary information present information only on the Garnishment Fund and the Registry of Court Fund maintained by the Clerk of First City Court for the Parish of Orleans and do not present information on the Orleans Parish Judicial Expense Fund, the general government services provided by that governmental unit, or any other governmental units that comprise the financial reporting entity.

***Fund Accounting and Basis of Accounting***

The Clerk of First City Court for the Parish of Orleans 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 segregating 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 Clerk of First City Court for the Parish of Orleans are classified as fiduciary (agency) funds. These funds are described as follows:

***Fiduciary Funds - Agency funds***

The Garnishment and Registry of Court Funds account for assets held by the Clerk of First City Court for the Parish of Orleans 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 FIRST CITY COURT FOR THE PARISH OF ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**  
**For the Year Ended December 31, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Garnishment Fund* - The Garnishment Fund, as provided by Louisiana Revised Statute 13:3927, provides that whenever 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.

*Registry of Court Fund* - The Registry of the Court Fund, as provided by Louisiana Revised Statute 13:2165, accounts for funds that have been ordered by the court to be held on deposit until judgment has been rendered in court litigation. These funds are withdrawn only upon order of the court to named recipients.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in demand deposits, interest-bearing deposits, and time deposits. Under State law, the Clerk of First City Court for the Parish of Orleans 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 or under the laws of the United States.

Cash and cash equivalents consisted of the following at December 31, 2008:

Garnishment Fund	\$ 429,974
Registry of Court Fund	<u>327,084</u>
Total Cash and Cash Equivalents	<u>\$ 757,058</u>

These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2008, the Clerk has \$757,058 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

The Honorable Ellen M. Hazeur  
**Clerk of First City Court**  
**for the Parish of Orleans**  
New Orleans, Louisiana

We have audited the Statement of Financial Position of Funds on Deposit with the Clerk of First City Court for the Parish Orleans, as of December 31, 2008, and have issued our report thereon dated April 17, 2009. 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 Clerk of First City Court for the Parish of Orleans' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statement, but not for the purpose of expressing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk of First City Court for the Parish of Orleans' internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement that is more than inconsequential will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### *Compliance and Other Matters*

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

This report is intended for the information of management, Honorable Ellen M. Hazeur, Clerk, First City Court for the Parish of Orleans, others within the entity, and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Reboue & Company*

April 17, 2009

**CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2008**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The Independent Auditor's Report expresses an unqualified opinion on the Statement of Financial Position of Funds on Deposit with the Clerk of First City Court for the Parish of Orleans.
2. No significant deficiencies in internal control over financial reporting are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of a Financial Statement Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of the Clerk of First City Court for the Parish of Orleans, which would be required to be reported in accordance Government Auditing Standards, were disclosed during the audit.
4. A management letter was not issued for the year ended December 31, 2008.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

There were no findings noted in our audit for the year ended December 31, 2008.

**CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND**  
**QUESTIONED COSTS**  
**For the Year Ended December 31, 2008**

There were no findings required to be reported in this section.

**CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS**  
**FUNDS ON DEPOSIT**  
**SCHEDULE OF CHANGES IN FIDUCIARY LIABILITIES**  
**For the Year Ended December 31, 2008**

Additions:	<u>Garnishment</u>	<u>Registry</u>	<u>Total</u>
Litigant Deposits	\$ 10,126	\$ 98,213	\$ 108,339
Interest	<u>3,196</u>	<u>2,368</u>	<u>5,564</u>
Subtotals	<u>13,322</u>	<u>100,581</u>	<u>113,903</u>
Decreases:			
Litigant Withdrawals	2,655	59,535	62,190
Bank Charges	22	41	63
Transfer to Capital Improvement Fund	<u>3,175</u>	<u>2,327</u>	<u>5,502</u>
Subtotals	<u>5,852</u>	<u>61,903</u>	<u>67,755</u>
Net Increase	7,470	38,678	46,148
Fiduciary Liabilities at Beginning of Year	<u>298,197</u>	<u>274,948</u>	<u>573,145</u>
Fiduciary Liabilities at End of Year	<u><u>\$ 305,667</u></u>	<u><u>\$ 313,626</u></u>	<u><u>\$ 619,293</u></u>