

**FIDUCIARY FUNDS ON DEPOSIT
CLERK OF FIRST CITY COURT
FOR THE PARISH OF ORLEANS**

FINANCIAL STATEMENTS

**For the
Year Ended December 31, 2017**



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**Fiduciary Funds on Deposit Clerk of
First City Court for the Parish of Orleans
Table of Contents**

REPORT

Independent Auditors' Report	1
Management's Discussion and Analysis	4

FINANCIAL STATEMENT

Statement of Fiduciary Assets and Liabilities	6
Notes to Financial Statement	7

SUPPLEMENTARY INFORMATION

Schedule of Changes in Fiduciary Assets and Liabilities	9
Schedule of Compensation, Benefits and Other Payments to Agency Head	10
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	11
Schedule of Findings and Questioned Costs	13
Summary Schedule of Prior Audit Findings	14



Report



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INDEPENDENT AUDITORS' REPORT

Honorable Timothy David Ray
Clerk, First City Court for the Parish of Orleans
New Orleans, LA

Report on the Financial Statements

We have audited the accompanying financial statement of the Fiduciary Funds on Deposit of the Clerk of First City Court for the Parish of Orleans (the "Clerk"), a component unit of the First City Court for the Parish of Orleans, as of December 31, 2017, and the related notes to the financial statement, which collectively comprise the Clerk's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Clerk's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective financial position of the Fiduciary Funds on Deposit with the Clerk of First City Court for the Parish of Orleans as of December 31, 2017 and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 - 5 be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that comprises the Clerk's basic financial statement. The Schedule of Changes in Fiduciary Assets and Liabilities and Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for additional analysis and are not a required part of the basic financial statement. The Schedule of Changes in Fiduciary Assets and Liabilities and Schedule of Compensation, Benefits and Other Payments to Agency Head are the responsibility of Management and were derived and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the Clerk'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 the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

June 29, 2018



FIDUCIARY FUNDS ON DEPOSIT CLERK OF FIRST CITY COURT FOR THE PARISH OF ORLEANS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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 these funds for the year ended December 31, 2017.

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 a fiscal agent bank. 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 and deposit requirements determined on a case-by-case basis as stated in the judgement and signed by the judges of First City Court for the Parish of Orleans.

Overview of the Financial Statement

The accompanying financial statement consists of a Statement of Fiduciary Assets and Liabilities for the two funds and a supplementary Schedule of Changes in Fiduciary Asset and 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 Fiduciary Assets and Liabilities provides information only on each of the two funds controlled by the Clerk of the 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 balance in the Garnishment fund at December 31, 2017 was \$539,947, and the Registry of Court fund was \$299,659. 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.

**FIDUCIARY FUNDS ON DEPOSIT CLERK OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Overview of the Financial Statement (Continued)

These liability balances are as follows:

	Garnishment	Registry
Deposits Due Litigants	\$ 416,050	\$ 286,463
Undistributed Interest	123,897	13,196
	\$ 539,947	\$ 299,659

The total Garnishment Fund liability for the year ended December 31, 2017 is stated at \$539,947, which reflected an increase of \$14,080 as compared to the prior year balance of \$525,867. The total Registry of Court Fund liability for the year ended December 31, 2017 is stated at \$299,659, which reflected a increase of \$1,933 as compared to the prior year balance of \$297,726.

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.



Financial Statements

**FIDUCIARY FUNDS ON DEPOSIT OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**

As of December 31,

2017

	Garnishment	Registry	Total
ASSETS			
Cash	\$ 539,947	\$ 299,659	\$ 839,606
Total Assets	\$ 539,947	\$ 299,659	\$ 839,606
LIABILITIES			
Deposits Due Litigants	\$ 416,050	\$ 286,463	\$ 702,513
Undistributed Interest	123,897	13,196	137,093
Total Liabilities	\$ 539,947	\$ 299,659	\$ 839,606

The accompanying notes are an integral part of this financial statement.



**FIDUCIARY FUNDS ON DEPOSIT CLERK OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENT**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Clerk of First City Court for the Parish of Orleans (the “Clerk”) was created by LSA-R.S. 13:2165. The Garnishment Fund and the Registry of Court Fund were created by LSA-R.S. 13:3927 and LSA-R.S. 13.2165, respectively.

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.

Basis of Presentation

The accompanying Statement of Fiduciary Assets and Liabilities maintained by the Clerk of First City Court for the Parish of Orleans 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.

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 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 on Deposit with 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.

**FIDUCIARY FUNDS ON DEPOSIT CLERK OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENT**

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

Cash includes amounts in demand deposits, interest-bearing deposits, and time deposits. Under Louisiana state law, the Clerk 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 includes all highly liquid investments with an original maturity of 3 months or less.

Cash consisted of the following at December 31, 2017:

Garnishment Fund	\$	539,947
Registry Fund		299,659
Total Cash	\$	839,606

These deposits are stated at cost, which approximates fair market value. Under Louisiana 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, 2017, the Clerk has \$839,606 in deposits (collective 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.



Supplementary Information

**FIDUCIARY FUNDS ON DEPOSIT CLERK OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**

For The Year Ended December 31,

2017

	Garnishment	Registry	Total
<i>Additions:</i>			
Litigant deposits	\$ 15,660	\$ 76,360	\$ 92,020
Interest	800	454	1,254
Subtotals	16,460	76,814	93,274
<i>Deductions:</i>			
Litigant withdrawals	1,580	74,427	76,007
Transfer to capital improvement fund	800	454	1,254
Subtotals	2,380	74,881	77,261
Net increase in Total Liabilities	14,080	1,933	16,013
Total Liabilities at Beginning of Year	525,867	297,726	823,593
Total Liabilities at End of Year	\$ 539,947	\$ 299,659	\$ 839,606

See independent auditors' report..

**FIDUCIARY FUNDS ON DEPOSIT CLERK OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31,

2017

Agency Head Name: Honorable Ellen M. Hazeur*

PURPOSE	AMOUNT
Salary	\$ -
Benefits-health insurance	-
Benefits - dental insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica & Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
	\$ -

Although Honorable Ellen M. Hazeur is the agency head of the Fiduciary Funds on Deposit Clerk of First City Court for the Parish of Orleans, she is not paid through these funds.

* As of December 31, 2017 the Honorable Ellen M. Hazeur was the agency head. On April 25, 2018, the Honorable Timonth D. Ray assumed the position of agency head.



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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*

Honorable Timothy David Ray
Clerk, First City Court for the Parish of Orleans
New Orleans, LA

We have audited, 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, the statement of Fiduciary Assets and Liabilities for the Clerk of First City Court for the Parish of Orleans, as of December 31, 2017, the related notes to the financial statement, which collectively comprise the Clerk's basic financial statement, and have issued our report thereon dated June 29, 2018.

Internal Control Over Financial Reporting

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

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 the Clerk's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

June 29, 2018



**FIDUCIARY FUNDS ON DEPOSIT CLERK OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

A. SUMMARY OF AUDITORS' RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the Statement of Fiduciary Assets and Liabilities of Funds on Deposit with the Clerk of First City Court for the Parish of Orleans, a component unit of 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 *Report on Internal Control and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of the Funds on Deposit with the Clerk of First City Court for the Parish of Orleans, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued for the year ended December 31, 2017.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings noted in our audit for the year ended December 31, 2017.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings noted in our audit for the year ended December 31, 2017.



**FIDUCIARY FUNDS ON DEPOSIT CLERK OF
FIRST CITY COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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