

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

Constable Lambert C. Boissiere, Jr.
First City Court
City of New Orleans
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund, and the agency fund of the **Constable of the First City Court, City of New Orleans (the Constable)**, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise **the Constable's** basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements 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 statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Constable Lambert C. Boissiere, Jr.
First City Court
City of New Orleans
New Orleans, Louisiana

Auditors' Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the agency fund of **the Constable**, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Constable Lambert C. Boissiere, Jr.
First City Court
City of New Orleans
New Orleans, Louisiana

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 to 10 and page 38, respectively, and the required pension information on pages 39 and 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 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 statements, and other knowledge we obtained during our audit of the basic 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **the Constable's** basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Constable on page 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to the Constable is the responsibility of management and was derived from and relates 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 statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to the Constable are fairly stated in all material respects in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Constable Lambert C. Boissiere, Jr.
First City Court
City of New Orleans
New Orleans, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019, on our consideration of **the Constable'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 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 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 **the Constable's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP

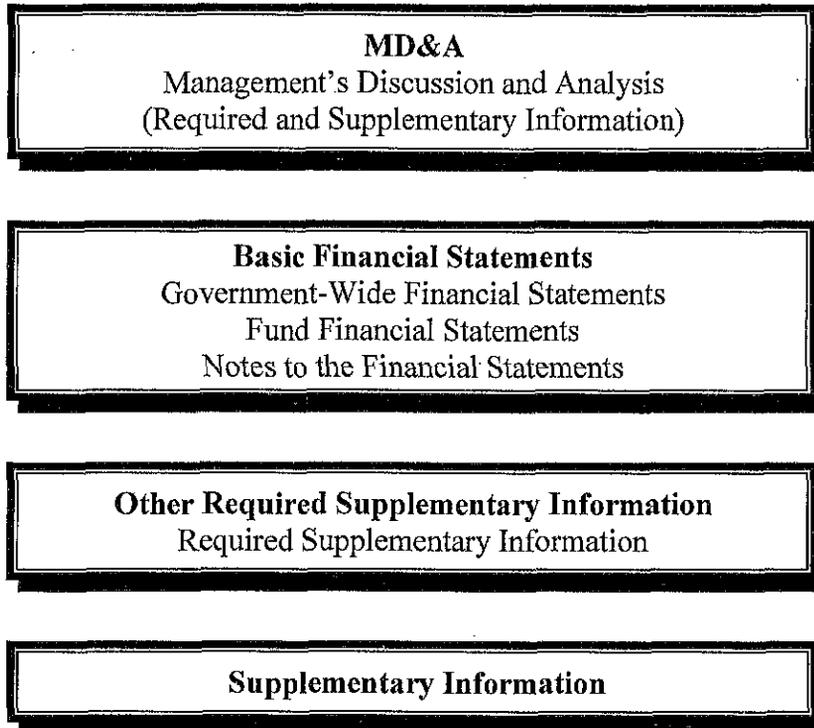
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 27, 2019

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

The **Constable of the First City Court, City of New Orleans' (the Constable)** management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of **the Constable's** financial activity, and identify changes in **the Constable's** financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ended December 31, 2018.

The following is an illustration on how this financial report is presented.



CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018

As indicated in the illustration on the previous page, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements provide a perspective of **the Constable** as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

Fund Financial Statements

The fund statements are similar to financial presentations of years past, but the focus is on **the Constable's** major funds rather than fund types as in the past. The two account groups: General Fixed Assets and General Long-term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

The General Fund is the only governmental fund of **the Constable**. The General Fund is used primarily to account for the general operations. Its revenues are derived from fees and commissions earned from serving court pleadings, performing seizures, and conducting sales under the orders of the First City Court.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmental-wide financial statements because those resources for those funds are not available to support **the Constable's** own programs. **The Constable's** employs an agency fund to account for deposits held pending court action.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018**

Financial Analysis of the Constable

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Assets and Deferred Outflow:			
Current assets	\$ 1,541,913	\$ 1,462,021	\$ 79,892
Capital assets, net	79,016	64,905	14,111
Deferred outflow of pension resources	<u>353,530</u>	<u>305,560</u>	<u>47,970</u>
Total assets and deferred outflow of resources	<u>1,974,459</u>	<u>1,832,486</u>	<u>141,973</u>
Liabilities and Deferred Inflow:			
Current liabilities	49,753	23,079	26,674
Noncurrent liabilities	463,855	489,605	(25,750)
Deferred inflow of pension resources	<u>497,903</u>	<u>540,266</u>	<u>(42,363)</u>
Total assets and deferred inflow of resources	<u>1,011,511</u>	<u>1,052,950</u>	<u>(41,439)</u>
Net Position			
Invested in capital assets	79,016	64,905	14,111
Unrestricted	<u>883,932</u>	<u>714,631</u>	<u>169,301</u>
Total net position	<u>\$ 962,948</u>	<u>\$ 779,536</u>	<u>\$ 183,412</u>

As indicated above, net position at December 31, 2018 was \$962,948. In 2018, **the Constable's** assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$962,948. Noncurrent liabilities in 2018 decreased due to the decrease in the net pension liability.

Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$193,959, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$114,943.

The remaining \$883,932 in net position is unrestricted. The unrestricted net position is an accumulation of prior years' operating results. This balance is directly affected each year by **the Constable's** operating results.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018**

Results of Operations

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Program Revenues			
Fees	\$ 1,161,732	\$ 1,122,671	\$ 39,061
Commissions	165,904	185,342	(19,438)
Security services	410,696	339,057	71,639
General Revenues			
Other	<u>6,665</u>	<u>3,685</u>	<u>2,980</u>
 Total revenues	 <u>1,744,997</u>	 <u>1,650,755</u>	 <u>94,242</u>
 Expenses			
Salaries	684,877	665,216	19,661
Employee benefits	127,590	58,514	69,076
Payroll taxes	68,467	51,458	17,009
Labor cost	252,494	210,689	41,805
Professional fees	193,657	164,426	29,231
Automobile and insurance	34,444	34,595	(151)
Telephone	10,789	9,676	1,113
Office supplies and services	9,893	14,299	(4,406)
Other operating expenses	69,053	24,525	44,528
Depreciation	28,314	15,844	12,470
Postage	8,758	7,000	1,758
Travel	23,570	10,036	13,534
Rent	12,972	14,088	(1,116)
Other expenses	<u>36,707</u>	<u>898</u>	<u>35,809</u>
 Total expenses	 <u>1,561,585</u>	 <u>1,281,264</u>	 <u>280,321</u>
 Increase in net position	 <u>\$ 183,412</u>	 <u>\$ 369,491</u>	 <u>\$ (186,079)</u>

As indicated above, net position increased by \$183,412 in 2018. Security services revenue increased in 2018 by 21% as compared to 2017 primarily due to more security service contracts.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018**

Capital Assets

At December 31, 2018 and 2017, **the Constable** had \$193,959 and \$151,534, respectively invested in property and equipment, automobiles and office improvements as follows:

Assets	<u>2018</u>	<u>2017</u>
Capital assets	\$193,959	\$151,534
Less accumulated depreciation	<u>(114,943)</u>	<u>(86,629)</u>
Net capital assets	<u>\$ 79,016</u>	<u>\$ 64,905</u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$28,314 and \$15,844, respectively. Additional information on **the Constable's** capital assets can be found in NOTE 4 on page 28 of this report.

Economic Factors and Next Year's Budget

The major factor affecting the budget is the revenues earned for fees and commissions.

Original vs. Revised Budget

As required by state law, **the Constable** adopts the original budget for the office. **The Constable** amended its original budget once during the 2018 fiscal year.

Revenue Budget

The Constable's actual general fund revenues of \$1,744,997 were less than the budget by \$31,803.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018**

Expenditure Budget

The Constable's actual general fund expenditures of \$1,691,779 were less than the budget by \$32,221.

Contacting the Constable's Financial Management

This financial report is designed to provide a general overview of **the Constable's** finances for all those who have interest in **the Constable's** finances. If you have questions about this report or need additional information, contact Mr. Lambert C. Boissiere, Jr., Constable, at 421 Loyola Avenue, New Orleans, Louisiana 70112.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

ASSETS

Current Assets:

Cash	\$ 1,142,764
Account receivable	24,892
Investments (NOTE 3)	331,165
Prepaid	43,092
Total current assets	1,541,913

Noncurrent Assets:

Capital assets, net (NOTE 4)	79,016
Total noncurrent assets	79,016

Total assets	1,620,929
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Deferred Outflow of Resources:

Pension resources (NOTE 6)	353,530
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Total assets and deferred outflow of resources	1,974,459
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LIABILITIES

Current Liabilities:

Accounts payable	41,814
Accrued liabilities	3,439
Compensated absences	4,500

Total current liabilities	49,753
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Noncurrent Liabilities

Compensated absences	48,052
Net pension liability	415,803
Total noncurrent liabilities	463,855

Total liabilities	513,608
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Deferred Inflow of Resources:

Pension resources (NOTE 6)	497,903
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Total liabilities and deferred inflow of resources	1,011,511
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NET POSITION

Net investment in capital assets	79,016
Unrestricted	883,932

Total net position	\$ 962,948
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The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

REVENUES:	<u>Governmental Activities</u>
Program revenues:	
Fees	\$ 1,161,732
Commissions	165,904
Security services	410,696
General revenues:	
Other	6,665
Total operating revenues	<u>1,744,997</u>
EXPENSES:	
Salaries	684,877
Employees benefits	127,590
Payroll taxes	68,467
Labor cost	252,494
Professional fees	193,657
Automobile and insurance	34,444
Telephone	10,789
Office supplies and services	9,893
Other operating expenses	69,053
Depreciation	28,314
Postage	8,758
Travel	23,570
Rent	12,972
Other expenses	36,707
Total operating expenses	<u>1,561,585</u>
Change in net position	183,412
Net position, beginning of year	<u>779,536</u>
Net position, end of year	<u><u>\$ 962,948</u></u>

The accompanying notes are an integral part of this statement.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
BALANCE SHEET – GOVERNMENTAL FUND – GENERAL FUND
DECEMBER 31, 2018

ASSETS

Cash	\$ 1,142,764
Account receivable	24,892
Investments	331,165
Prepaid expenses	<u>43,092</u>
Total assets	<u><u>\$ 1,541,913</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 41,814
Accrued liabilities	<u>7,939</u>
Total liabilities	<u>49,753</u>

Fund Balance (NOTE 2):

Nonspendable	43,092
Spendable - unassigned	<u>1,449,068</u>

Total fund balance	<u>1,492,160</u>
Total liabilities and fund balance	<u><u>\$ 1,541,913</u></u>

The accompanying notes are an integral part of this statement

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUND –
GENERAL FUND - TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total fund balance – Governmental Fund – General Fund		\$ 1,492,160
Amounts reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund (NOTE 4):		
The cost of capital assets is	\$ 193,959	
Accumulated depreciation is	(114,943)	79,016
Deferred outflow of resources related to pension		354,405
Long-term liabilities are not due and payable in the current period therefore are not reported in the fund:		
Compensated absences	(48,052)	
Net pension liability	(415,803)	(463,855)
Deferred inflow of resources related to pension		<u>(498,778)</u>
Net position of governmental activities		<u>\$ 962,948</u>

The accompanying notes are an integral part of this statement.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE IN
FUND BALANCE – GOVERNMENTAL FUND – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES:

Program revenues:	
Fees	\$ 1,161,732
Commissions	165,904
Security services	410,696
General revenues:	
Other	<u>6,665</u>
 Total revenues	 <u>1,744,997</u>

EXPENSES:

Salaries	684,877
Employees benefits	243,673
Payroll taxes	68,467
Labor cost	252,494
Professional fees	193,657
Automobile and insurance	34,444
Telephone	10,789
Office supplies and services	9,893
Other operating expenditures	69,053
Capital related expenditures	77,950
Postage	8,758
Travel	23,570
Rent	12,972
Other expenditures	<u>1,182</u>
 Total expenditures	 <u>1,691,779</u>

Net change in fund balance	53,218
 Fund balance, beginning of year	 <u>1,438,942</u>
 Fund balance, end of year	 <u><u>\$ 1,492,160</u></u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUND
DECEMBER 31, 2018**

ASSETS

Cash	\$ <u>58,599</u>
Total assets	\$ <u>58,599</u>

LIABILITIES

Escrow deposits	\$ <u>58,599</u>
Total liabilities	\$ <u>58,599</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - INTRODUCTION:

The **Constable of the First City Court, City of New Orleans (the Constable)**, was established by Sections 89 and 92 of Article 7 of the Louisiana Constitution of 1921 and retained by virtue of the revised provisions of Article 5, Section 15(A) of the Louisiana Constitution of 1974. Act No. 461 of the 1978 Louisiana Regular Session established a fund for the Office of Constable, First City Court, composed of all fees collected by **the Constable** as provided in Revised Statute 13:2158. **The Constable** pays from this fund all salaries, including his own and any other costs or expenses of any other nature whatsoever, including the purchase of office or other equipment, automobiles, or other necessities deemed proper by **the Constable**. In the event, fees and commissions authorized by Revised Statute 13:2158 exceed the necessary expenditures of **the Constable** in the efficient performance of his duties, the excess shall remain in **the Constable's** fund and may be expended by him in any succeeding year in which fees and commissions are insufficient to cover salaries and expenditures. However, in accordance with Louisiana Revised Statute 33:5827, at the end of each six-year term, **the Constable** is required to remit to the State Treasurer any remaining moneys in **the Constable's** fund in excess of one third of the amount of revenues of the last year of his term in office. The amount left in **the Constable's** fund shall be used as a revolving fund to assist in financing the operation of **the Constable's** office and for purchasing equipment.

The Constable serves court pleadings, makes seizures, conducts sales, and performs other duties under orders of the First City Court. The First City Court has civil jurisdiction concurrent with the District Court in cases where the principal amount in dispute, or the value of property involved does not exceed \$25,000.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

According to GASB No. 14, **the Constable** is considered a primary government and does not include any component units. Therefore, for financial reporting purposes, **the Constable** includes all funds and activities that are controlled by **the Constable** as an independently elected parish official. The activities of the parish, other independently elected parish officials and municipal level governments are not included within the accompanying financial statements as they are considered autonomous governmental units. These governmental units issue financial statements separate from those of **the Constable**.

B. Basis of Presentation

Government-Wide and Fund Financial Statements – The combined government-wide financial statements and fund financial statements (i.e., the statement of net position and governmental funds balance sheet and the statement of activities and governmental fund revenues, expenditures and changes in fund balance) report information to **the Constable** on the accrual basis of accounting and the economic resources measurement focus, respectively.

The operations of the fund statements are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. **The Constable** resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. **The Constable** uses the following funds:

Governmental fund types are used to account for the activities of **the Constable**. The measurement focus is based upon spending or financial flow and the determination of changes in fund balance (net current assets). **The Constable** uses the following governmental fund type:

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

B. Basis of Presentation, Continued

The General Fund is the principal fund of **the Constable** and accounts for the operations of **the Constable's** office. The major source of revenues is from fees and commissions. General operating expenditures are paid from this fund.

The Constable reports the following fiduciary fund type, which is held in an agent capacity for others and therefore is not available to support **the Constable** programs.

The Agency Fund is used as a depository for collection of civil suits, garnishments, **the Constable's** sale of real estate and movable property. Disbursements from this fund are made to various parish agencies, litigants in suits, etc., in a manner prescribed by law. This fund is custodial in nature (assets, equal liabilities) and does not involve measurement of results of operations.

The statement of net position and statement of activities columns reflect consolidated results of operations using the accrual basis of accounting.

Basis of Accounting refers to when revenues and expenditures are recognized in the accounts and reported in the basic financial statements. Governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. Revenues not considered available are recorded as deferred revenues. Revenues considered susceptible to accrual include interest and lease payments. Expenditures are generally recognized when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

The statement of net position and statement of activities columns represent operations on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when liabilities incurred, regardless of the timing of related cash flows.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

C. Budgetary Accounting

The proposed budget, prepared on the modified accrual basis of accounting, was published prior to the ensuing fiscal year. The budget is legally adopted and amended, as necessary, by **the Constable**. At fiscal close, all appropriations lapse. All changes in the budget must be approved by the **Constable**. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements reflect the originally adopted budget and all subsequent amendments.

D. Vacation and Sick Leave

Employees of the office are allowed to accumulate ten (10) days of vacation time and ten (10) days of sick leave during a calendar year. For the year ended December 31, 2018, vacation time not used at the end of the year is lost. Unused sick leave is either paid to employees at the end of each calendar year or allowed to accumulate up to a maximum of thirty (30) days. Upon resignation or termination of employment, unused sick leave is paid to the employee.

E. Cash and Cash Equivalents

Cash includes amounts on hand and in demand deposits and cash equivalents. Cash equivalents include amounts in certificates of deposit with original maturities of 90 days or less. Cash equivalents are held in safe keeping at a custodial bank in **the Constable's** name. Under state law, **the Constable** may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2018, **the Constable** had no cash equivalents.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

F. Investments

The Constable's investments are in a state investment pool, Louisiana Asset Management Pool, Inc. (LAMP), which is a 2a7-like investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of 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 in accordance with LA-R.S. 33:2955.

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 365 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 Constable 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.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

H. **Fund Equity**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- *Net invested in capital assets* - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowing attributable to those assets.
- *Restricted net position* - Consists of net assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - All other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted net positions are available for use, generally it is **the Constable’s** policy to use restricted resources first.

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- *Nonspendable* - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.
- *Restricted* - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by **the Constable** through formal action of the highest level of decision making authority. Any changes or removal of specific purpose requires majority action by the governing board.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

H. Fund Equity, Continued

- *Assigned* - Includes fund balance amounts that are constrained by **the Constable's** intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* - Includes the residual balance of the General Fund that has not been assigned to other funds that has not been restricted, committed, or assigned to specific purposes.

When both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance) are available for use, generally it is **the Constable's** policy to use restricted resources first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

I. Capital Assets

Capital assets are recorded at cost, if purchased or at fair Constable value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expended as incurred.

Depreciation of automobiles, property and equipment is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Estimated Useful Lives (years)</u>
Automobiles	Straight-line	5
Property and equipment	Straight-line	3 to 7

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Current Year Adoption of New Accounting Standards

The Constable adopted Government Accounting Standards Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. The adoption of GASB 68 and 71 required significant changes to the financial statements of **the Constable**. The principal objective of these Statements is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees, both active and inactive are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between government’s inflows of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government’s pension obligations and the resources available to satisfy those obligations. An additional objective is to improve the information provided in government financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.

NOTE 3 - CASH AND INVESTMENTS:

Cash

At December 31, 2018, **the Constable** has cash (book balances) totaling \$1,201,363, as follows:

Cash on hand	\$ 350
Noninterest-bearing demand deposits:	
General fund	1,142,414
Agency fund	<u>58,599</u>
Total	<u>\$1,201,363</u>

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - CASH AND INVESTMENTS, CONTINUED

These deposits are stated at cost, which approximates Constable. 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 Constable 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. **The Constable** maintains interest bearing and non-interest bearing accounts at local banks. As of December 31, 2018, **the Constable** has \$1,172,177 in bank deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and secured from risk by \$672,177 of pledged securities held by the custodial bank in the name of **the Constable**.

Custodial credit risk is the risk that, in event of a failure of financial institution or counterparty, **the Constable** would not be able to recover its deposits, investments, or collateral securities that are in the possession of an outside party. **The Constable's** deposits are not subject to custodial credit risk.

Investments

As of December 31, 2018, **NOTMC** had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>
Louisiana Asset Management Pool, Inc.	AAAm	1 to 5 years	\$ <u>331,165</u>

NOTMC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs in used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - CASH AND INVESTMENTS, CONTINUED

NOTMC has the following recurring fair value measurements as of December 31, 2018:

- Louisiana Asset Management Pool, Inc. of \$331,165 is valued using quoted market prices (Level 1 Inputs).

Interest Rate Risk. **NOTMC** does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to those prescribed in LSA R.S. 33:2955. **NOTMC** does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, **NOTMC** will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. **NOTMC** does not have a formal investment policy that addresses custodial credit risk. As of December 31, 2018, **NOTMC** did not have any investments to which this would apply.

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U. S. government, investments in mutual funds and external investment pools, and other pooled investments.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - CAPITAL ASSETS:

Changes in capital assets are as follows at December 31, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Property and equipment	\$ 4,308	\$ 5,446	\$ -0-	\$ 9,754
Automobiles	<u>147,226</u>	<u>36,979</u>	<u>-0-</u>	<u>184,205</u>
Total	151,534	42,425	-0-	193,959
Less: Accumulated depreciation	<u>(86,629)</u>	<u>(28,314)</u>	<u>-0-</u>	<u>(114,943)</u>
Net capital assets	<u>\$ 64,905</u>	<u>\$ 14,111</u>	<u>\$ -0-</u>	<u>\$ 79,016</u>

Depreciation expense for the year ended December 31, 2018 was \$28,314.

NOTE 5 - LONG-TERM DEBT:

The following is a summary of changes in the long-term debt at December 31, 2018:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Compensated absences payable	<u>\$ 43,166</u>	<u>\$ 4,886</u>	<u>\$ -</u>	<u>\$ 48,052</u>
Total	<u>\$ 43,166</u>	<u>\$ 4,886</u>	<u>\$ -</u>	<u>\$ 48,052</u>

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - PENSION PLAN:

Summary of Significant Accounting Policies

Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees Retirement System of the City of New Orleans and additions to/deductions from the Plan's' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Employees of **the Constable** are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Employees Retirement System of the City of New Orleans (the Plan) established under the laws of the State of Louisiana. The Plan issues a publicly available financial report that can be obtained at www.nola.gov/nomers.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - PENSION PLAN CONTINUED:

Summary of Significant Accounting Policies, Continued

Pensions, Continued

General Information about the Pension Plan

Benefits Provided

Retirement

Regular Benefits

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Employees with thirty (30) years of service, or who attain age 60 with ten (10) years of service, or age 65, irrespective of length of service, are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employee's accumulation contribution, plus an annual pension, which together with the annuity, provides a total retirement allowance equal to 2.5% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age 62. Average compensation is defined as average annual earned compensation for the highest thirty-six (36) successive months of service, less \$1,200. Mandatory retirement age is 70.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - PENSION PLAN, CONTINUED:

Disability Benefits

Disability benefits are awarded to active members with 10 or more years of creditable service if a physician nominated by the board certifies that the member is totally incapacitated and that such incapacitation is likely to be permanent. The member receives an annuity, which is the actuarial equivalent to the employee's accumulated contribution, plus an annual pension, which, together with the annuity shall be 75% of the service allowance that would have been payable upon service retirement at age 65, had the member continued in service to the age of 65. Such allowance is to be computed on the average compensation, plus the sum of \$1,200 provided, however, that the minimum annual retirement allowance will be \$300 per year.

Contributions

Contribution requirements of active employees are governed by the Retirement Ordinance of the City Charter of New Orleans. Employee and employer contributions are deducted from a member's salary and remitted to the Plan by participating employers. For the 2018 fiscal year, employees participating in the Retirement System are required to contribute 6% of their salary and the employer is required to contribute 23.252%. Employer contributions to the Retirement System are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years. The contribution requirements of Retirement System members of **the Constable** are established and may be amended by the Retirement System's board of trustees. **The Constable's** contributions to the Retirement System, which were equal to the required contribution, for the year ended December 31, 2018 were \$122,039. However, **the Constable** does not guarantee any of the benefits granted by the plan.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - PENSION PLAN, CONTINUED:

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

At December 31, 2018, the Employer reported a liability of \$415,803 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. **The Constable's** proportion of the Net Pension Liability was based on a projection of **the Constable's** long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, **the Constable's** proportion was .174752%.

For the year ended December 31, 2018, **the Constable** recognized pension expense of \$61,324 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$60,254.

At December 31, 2018, **the Constable** reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - PENSION PLAN, CONTINUED:

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 100,609	\$ (8,163)
Net difference between projected and actual earnings on pension plan investments	33,038	(40,095)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	97,844	(449,645)
Employer contributions subsequent to the measurement date	122,039	-
Total	<u>\$ 353,530</u>	<u>\$ (497,903)</u>

\$122,039 reported as deferred outflow of resources related to pensions resulting from **the Constable** contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending December 31, 2018. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - PENSION PLAN, CONTINUED:

Year Ended December 31:	
2019	\$ (36,995)
2020	(41,240)
2021	(55,636)
2022	(54,339)
2023	(42,371)
2024	(46,954)
2025	11,122

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Adjusted Constable Value using seven-year smoothing
Actuarial Assumptions:	
Investment Rate of Return	7.50% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table Disabled members -- Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement
Turnover	Table developed from the 2006-2010 Actuarial Experience Study
Salary Increases	5.0% compounded annually

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - PENSION PLAN, CONTINUED:

Actuarial Assumptions, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash equivalents	2.0%	N/A
Equity Securites	58.0%	4.49%
Fixed income	25.0%	0.73%
Real estate	5.0%	0.23%
Other alternative investments	10.0%	0.62%
Total	<u>100.0%</u>	<u>6.07%</u>

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - PENSION PLAN, CONTINUED:

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.50%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage-point higher (8.50%) than the current rate:

	1.0% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1.0% Increase <u>(8.50%)</u>
Employer's proportionate share of the net pension liability	<u>\$527,012</u>	<u>\$415,803</u>	<u>\$322,730</u>

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - PENSION PLAN, CONTINUED:

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees Retirement System of the City of New Orleans 2017 Comprehensive Annual Financial Report at www.nola.gov/nomers.

NOTE 7 - RISK MANAGEMENT:

The Constable is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which **the Constable** carries commercial insurance.

REQUIRED SUPPLEMENTARY INFORMATION

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Fees	\$ 1,200,000	\$ 1,200,000	\$ 1,161,732	\$ (38,268)
Commissions	170,000	170,000	165,904	(4,096)
Security services	350,000	400,000	410,696	10,696
Other	-	-	6,665	6,665
Interest	2,500	6,800	-	(6,800)
Total revenues	<u>1,722,500</u>	<u>1,776,800</u>	<u>1,744,997</u>	<u>(31,803)</u>
EXPENDITURES:				
Salaries	674,500	690,000	684,877	5,123
Payroll taxes	53,000	53,000	68,467	(15,467)
Labor cost	215,000	260,000	252,494	7,506
Professional fees	350,000	200,000	193,657	6,343
Employee benefits	225,000	260,000	243,673	16,327
Automobile and insurance	36,000	36,000	34,444	1,556
Repairs and maintenance	2,000	2,000		2,000
Telephone	15,000	15,000	10,789	4,211
Office supplies and services	14,000	10,000	9,893	107
Other operating expenditures	32,000	60,000	69,053	(9,053)
Postage	8,000	8,000	8,758	(758)
Travel	11,000	25,000	23,570	1,430
Rent	20,000	15,000	12,972	2,028
Other expenditures	2,000	15,000	1,182	13,818
Capital related expenditures	35,000	75,000	77,950	(2,950)
Total expenditures	<u>1,692,500</u>	<u>1,724,000</u>	<u>1,691,779</u>	<u>32,221</u>
Net change in fund balance	30,000	52,800	53,218	418
Fund balance, beginning of year	<u>1,309,706</u>	<u>1,438,942</u>	<u>1,438,942</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,339,706</u>	<u>\$ 1,491,742</u>	<u>\$ 1,492,160</u>	<u>\$ 418</u>

See Independent Auditors' Report on Required Supplementary Information.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2018	\$ 122,954	\$ 122,039	\$ 915	\$ 528,107	23.282%
2017	\$ 112,411	\$ 112,411	-	\$ 482,824	23.282%
2016	\$ 125,311	\$ 125,355	\$ (44)	\$ 556,836	22.512%
2015	\$ 115,149	\$ 101,101	\$ 14,048	\$ 510,005	22.578%

NOTE: Employer's covered employee payroll amount represents the amount from the 2018 fiscal year.

NOTE: GASB 68 requires this schedule to show information for 10 years. **The Constable** has implemented GASB 68 on its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

See Independent Auditors' Report on Required Supplementary Information.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability	0.174752%	0.174752%	0.551708%	0.551708%
Employer's Proportionate Share of the Net Pension Liability	\$ 415,803	\$ 446,439	\$ 1,233,551	\$ 934,735
Employer's Covered-Employee Payroll	\$ 528,107	\$ 482,824	\$ 556,836	\$ 510,005
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	78.00%	92.00%	221.53%	183.28%
Plan Fiduciary Net Position as a Percentage of total Pension Liability	62.22%	58.06%	60.26%	68.64%

NOTE: The amounts presented have a measurement date of the previous fiscal year end.

NOTE: GASB 68 requires this schedule to show information for 10 years. **The Constable** has implemented GASB 68 on its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

See Independent Auditors' Report on Required Supplementary Information.

OTHER SUPPLEMENTARY INFORMATION

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE CONSTABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

Constable Name: Mr. Lambert C. Boissiere, Jr.

<u>Purpose</u>	<u>Amount</u>
Salary	\$113,957
Benefits – insurance	1,333
Benefits – retirement	26,497
Benefits – other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	1,795
Conference travel	380
Continuing professional education fees	2,877
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

See Independent Auditors' Report on Supplementary Information.



Member
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Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

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*

Constable Lambert C. Boissiere, Jr.
First City Court
City 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, the financial statements of the governmental activities, the general fund and the agency fund of the **Constable of the First City Court, City of New Orleans (the Constable)**, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise **the Constable's** basic financial statements, and have issued our report thereon dated June 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **the Constable'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Constable's** internal control. Accordingly, we do not express an opinion on the effectiveness of **the Constable's** internal control.

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

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 entity's financial statements 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 Constable's** financial statements are 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*.

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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of **the Constable**, its management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 27, 2019

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section I - Summary of Auditors' Results

- A. The type of report issued on the financial statements: **unmodified opinion**.
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **none reported** material weaknesses: **no**.
- C. Noncompliance which is material to the financial statements: **no**.
- D. Significant deficiencies in internal control over major programs: **not applicable** material weaknesses: **not applicable**.
- E. The type of report issued on compliance for major programs: **not applicable**.
- F. Any audit findings which are required to be reported under Section 200.516 of OMB Uniform Guidance: **not applicable**.
- G. Major programs: **not applicable**.
- H. Dollar threshold used to distinguish between Type A and Type B programs: **not applicable**.
- I. Auditee qualified as a low-risk auditee under Section 200.520 of OMB Uniform Guidance: **not applicable**.
- J. A management letter issued: **no**.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Section II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards**

No matters reported.

Section III - Findings and Questioned Costs Relating to Federal Awards

Not applicable.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section I - Internal Control and Compliance Material to the Financial Statements

No matters reported.

Section II - Findings and Questioned Costs Related to Federal Awards

Not applicable.

Section III - Management Letter

No management letter comments reported.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2018



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

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

To Constable Lambert C. Boissiere, Jr., **First City Court**
City of New Orleans and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the **Constable of the First City Court, City of New Orleans (the Constable)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. **The Constable's** management is responsible for those control and compliance areas identified in the SAUPs.

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 procedures described below 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)**

PROCEDURES AND FINDINGS

The procedures and findings related to the Statewide Agreed-Upon Procedures are as follows:

Collections

1. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

No exceptions were noted.

2. For **the Constable's** only deposit site, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one (1) location for the deposit site, obtained and inspected the written policies and procedures relating to employee job duties at the collection location, and observed that job duties are properly segregated at each collection location such that:

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

No exceptions were noted.

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

No exceptions were 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 postings to each other and to the deposit.

No exceptions were 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.

No exceptions were noted.

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

3. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions were noted.

4. We randomly selected two (2) deposit dates for each of the four (4) of the five (5) bank accounts with deposits selected for procedure #3 under "Bank Reconciliations" above. We then obtained supporting documentation for each of the eight (8) deposits and:

- a) Observed that receipts are sequentially pre-numbered.

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

- d) Observed that the deposit was made within one (1) business day of receipt at the collection location (within one week if the depository is more than ten (10) miles from the collection location or the deposit is less than \$100).

No exceptions were noted.

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

No exceptions were noted.

Payroll and Personnel

5. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five (5) employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were noted.

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

6. We randomly selected one (1) pay period during the fiscal period. For the five (5) employees/officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:

a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were noted.

b) We observed that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions were noted.

c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were noted.

7. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two (2) employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulative leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

No exceptions were noted.

8. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions were noted.

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

We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. 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 control and compliance areas identified in the SAUPs, 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.



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New Orleans, Louisiana

June 27, 2019