

**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, 2017

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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, 2017, 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, 2017, 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 28, 2018, 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

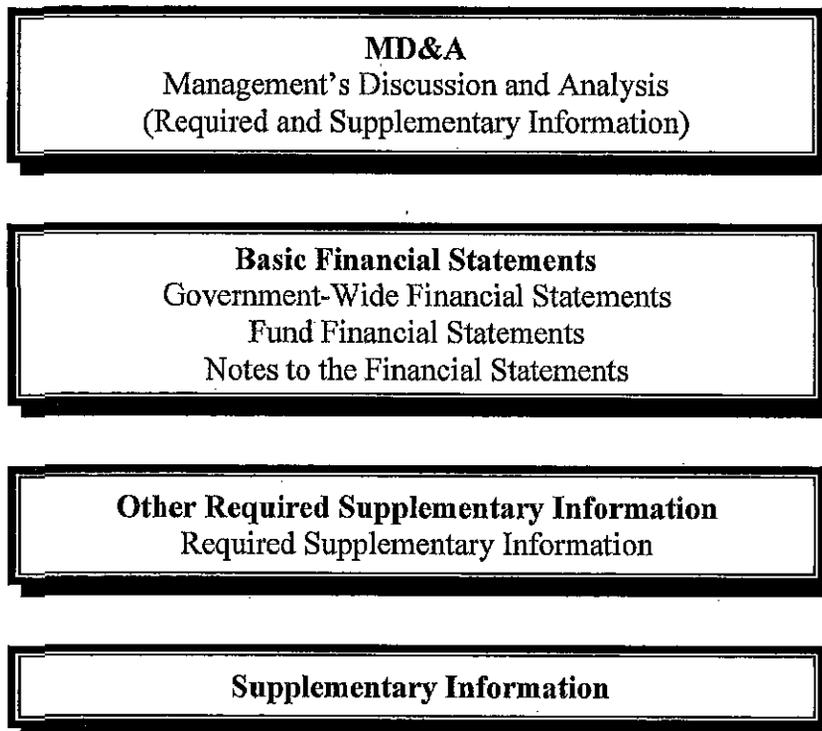
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 28, 2018

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017.

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, 2017

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, 2017**

Financial Analysis of the Constable

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Assets and Deferred Outflow:			
Current assets	\$ 1,462,021	\$ 1,282,967	\$ 179,054
Capital assets, net	64,905	46,699	18,206
Deferred outflow of pension resources	<u>305,560</u>	<u>427,609</u>	<u>(122,049)</u>
Total assets and deferred outflow of resources	<u>1,832,486</u>	<u>1,757,275</u>	<u>75,211</u>
Liabilities and Deferred Inflow:			
Current liabilities	23,079	23,479	(400)
Noncurrent liabilities	489,605	1,278,533	(788,928)
Deferred inflow of pension resources	<u>540,266</u>	<u>45,218</u>	<u>495,048</u>
Total assets and deferred inflow of resources	<u>1,052,950</u>	<u>1,347,230</u>	<u>(294,280)</u>
Net Position			
Invested in capital assets	64,905	46,699	18,206
Unrestricted	<u>714,631</u>	<u>363,346</u>	<u>351,285</u>
Total net position	<u>\$ 779,536</u>	<u>\$ 410,045</u>	<u>\$ 369,491</u>

As indicated above, net position at December 31, 2017 was \$779,536. In 2017, **the Constable's** assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$779,536. Noncurrent liabilities in 2017 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 \$151,534, 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 \$86,629.

The remaining \$714,631 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, 2017**

Results of Operations

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Program Revenues			
Fees	\$ 1,122,671	\$ 1,036,950	\$ 85,721
Commissions	185,342	171,054	14,288
Security services	339,057	366,535	(27,478)
General Revenues			
Other	<u>3,685</u>	<u>1,849</u>	<u>1,836</u>
Total revenues	<u>1,650,755</u>	<u>1,576,388</u>	<u>74,367</u>
Expenses			
Salaries	665,216	669,345	(4,129)
Employee benefits	58,514	305,448	(246,934)
Payroll taxes	51,458	51,755	(297)
Labor cost	210,689	152,745	57,944
Professional fees	164,426	150,943	13,483
Automobile and insurance	34,595	26,346	8,249
Telephone	9,676	9,106	570
Office supplies and services	14,299	8,228	6,071
Other operating expenses	24,525	13,948	10,577
Depreciation	15,844	17,683	(1,839)
Postage	7,000	7,390	(390)
Travel	10,036	13,904	(3,868)
Rent	14,088	13,854	234
Other expenses	<u>898</u>	<u>5,189</u>	<u>(4,291)</u>
Total expenses	<u>1,281,264</u>	<u>1,445,884</u>	<u>(164,620)</u>
Increase in net position	<u>\$ 369,491</u>	<u>\$ 130,504</u>	<u>\$ 238,987</u>

As indicated above, net position increased by \$369,491 in 2017. Program revenue fees increased in 2017 by 8% as compared to 2016 primarily due to the increased number of vehicle seizures serviced by **the Constable** in 2017.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Capital Assets

At December 31, 2017 and 2016, **the Constable** had \$151,534 and \$122,483, respectively invested in property and equipment, automobiles and office improvements as follows:

Assets	<u>2017</u>	<u>2016</u>
Capital assets	\$151,534	\$122,483
Less accumulated depreciation	<u>(86,629)</u>	<u>(75,784)</u>
Net capital assets	<u>\$ 64,905</u>	<u>\$ 46,699</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$15,844 and \$17,683, 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 2017 fiscal year.

Revenue Budget

The Constable's actual general fund revenues of \$1,650,755 were more than the budget by \$28,255.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Expenditure Budget

The Constable's actual general fund expenditures of \$1,471,301 were less than the budget by \$30,487 or less than 1%.

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, 2017

ASSETS

Current Assets:

Cash	\$ 1,089,691
Account receivable,	8,490
Investments (NOTE 3)	324,879
Prepaid	38,961
Total current assets	1,462,021

Noncurrent Assets:

Capital assets, net (NOTE 4)	64,905
Total noncurrent assets	64,905

Total assets	1,526,926
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Deferred Outflow of Resources:

Pension resources (NOTE 6)	305,560
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Total assets and deferred outflow of resources	1,832,486
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LIABILITIES

Current Liabilities:

Accounts payable	4,780
Accrued liabilities	13,799
Compensated absences	4,500

Total current liabilities	23,079
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Noncurrent Liabilities

Compensated absences	43,166
Net pension liability	446,439
Total noncurrent liabilities	489,605

Total liabilities	512,684
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Deferred Inflow of Resources:

Pension resources (NOTE 6)	540,266
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Total liabilities and deferred inflow of resources	1,052,950
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NET POSITION

Net investment in capital assets	64,905
Unrestricted	714,631

Total net position	\$ 779,536
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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, 2017**

REVENUES:	<u>Governmental Activities</u>
Program revenues:	
Fees	\$ 1,122,671
Commissions	185,342
Security services	339,057
General revenues:	
Other	<u>3,685</u>
Total operating revenues	<u>1,650,755</u>
EXPENSES:	
Salaries	665,216
Employees benefits	58,514
Payroll taxes	51,458
Labor cost	210,689
Professional fees	164,426
Automobile and insurance	34,595
Telephone	9,676
Office supplies and services	14,299
Other operating expenses	24,525
Depreciation	15,844
Postage	7,000
Travel	10,036
Rent	14,088
Other expenses	<u>898</u>
Total operating expenses	<u>1,281,264</u>
Change in net position	369,491
Net position, beginning of year	<u>410,045</u>
Net position, end of year	<u><u>\$ 779,536</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, 2017**

ASSETS

Cash	\$ 1,089,691
Account receivable	8,490
Investments	324,879
Prepaid expenses	<u>38,961</u>
Total assets	<u><u>\$ 1,462,021</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 4,780
Accrued liabilities	<u>18,299</u>
Total liabilities	<u>23,079</u>

Fund Balance (NOTE 2)

Nonspendable	38,961
Spendable - unassigned	<u>1,399,981</u>

Total fund balance	<u>1,438,942</u>
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Total liabilities and fund balance	<u><u>\$ 1,462,021</u></u>
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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, 2017

Total fund balance – Governmental Fund – General Fund		\$ 1,438,942
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	\$ 151,534	
Accumulated depreciation is	<u>(86,629)</u>	64,905
Deferred outflow of resources related to pension		305,560
Long-term liabilities are not due and payable in the current period therefore are not reported in the fund:		
Compensated absences	(43,166)	
Net pension liability	<u>(446,439)</u>	(489,605)
Deferred inflow of resources related to pension		<u>(540,266)</u>
Net position of governmental activities		<u>\$ 779,536</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, 2017

REVENUES:

Program revenues:	
Fees	\$ 1,122,671
Commissions	185,342
Security services	339,057
General revenues:	
Other	<u>3,685</u>
Total revenues	<u>1,650,755</u>

EXPENSES:

Salaries	665,216
Employees benefits	230,344
Payroll taxes	51,458
Labor cost	210,689
Professional fees	164,426
Automobile and insurance	34,595
Telephone	9,676
Office supplies and services	14,299
Other operating expenses	24,525
Capital outlays	34,051
Postage	7,000
Travel	10,036
Rent	14,088
Other expenses	<u>898</u>
Total expenditures	<u>1,471,301</u>

Net change in fund balance	179,454
Fund balance, beginning of year	<u>1,259,488</u>
Fund balance, end of year	<u><u>\$ 1,438,942</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 STATEMENT OF REVENUES,
EXPENDITURES AND NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUND -
GENERAL FUND - TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Total net change in fund balance – Governmental Fund – General Fund \$ 179,454

Amounts reported for governmental activities in
the Statement of Net Position is different because:

The Governmental Fund reported capital outlays as
expenditures whereas in the Statement of Activities,
these costs are depreciated over their estimated lives:

Capital outlays	34,051
Depreciation expense	(15,844)

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

Decrease in compensated absences	1,815
Pension expense	<u>170,015</u>

Change in net position of governmental activities \$ 369,491

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, 2017**

ASSETS

Cash	\$ <u>50,896</u>
Total assets	\$ <u>50,896</u>

LIABILITIES

Escrow deposits	\$ <u>50,896</u>
Total liabilities	\$ <u>50,896</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, 2017, 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, 2017, **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, 2017, **the Constable** has cash (book balances) totaling \$920,525, as follows:

Cash on hand	\$	350
Noninterest-bearing demand deposits:		
General fund		1,089,341
Agency fund		<u>50,896</u>
Total		<u>\$1,140,587</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, 2017, **the Constable** has \$1,140,237 in bank deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and secured from risk by \$356,923 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, 2017, **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>\$324,879</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, 2017:

- Louisiana Asset Management Pool, Inc. of \$324,879 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, 2017, **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, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Property and equipment	\$ 4,308	\$ -0-	\$ -0-	\$ 4,308
Automobiles	<u>118,175</u>	<u>34,051</u>	<u>(5,000)</u>	<u>147,226</u>
Total	122,483	34,051	(5,000)	151,534
Less: Accumulated depreciation	<u>(75,785)</u>	<u>(15,844)</u>	<u>5,000</u>	<u>(86,629)</u>
Net capital assets	<u>\$ 46,698</u>	<u>\$ 18,207</u>	<u>\$ -0-</u>	<u>\$ 64,905</u>

Depreciation expense for the year ended December 31, 2017 was \$15,844.

NOTE 5 - LONG-TERM DEBT:

The following is a summary of changes in the long-term debt at December 31, 2017:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Compensated absences payable	<u>\$ 44,981</u>	<u>\$ -</u>	<u>\$ (1,815)</u>	<u>\$ 43,166</u>
Total	<u>\$ 44,981</u>	<u>\$ -</u>	<u>\$ (1,815)</u>	<u>\$ 43,166</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 2017 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, 2017 were \$112,411. 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, 2017, the Employer reported a liability of \$446,439 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 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, 2016, **the Constable's** proportion was .174752%.

For the year ended December 31, 2017, **the Constable** recognized pension expense of \$62,661 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$120,265.

At December 31, 2017, **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
Differences between expected and actual experience	\$ 93,577	\$ (10,204)
Net difference between projected and actual earnings on pension plan investments	51,680	(5,184)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	47,892	(524,878)
Employer contributions subsequent to the measurement date	112,411	-
Total	\$ 305,560	\$ (540,266)

\$112,411 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, 2017. 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:	
2018	\$ (90,959)
2019	(90,958)
2020	(93,016)
2021	(107,715)
2022	11,960
2023	14,001
2024	9,569

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016 are as follows:

Valuation Date	December 31, 2016
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, 2016 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%	0.04%
Equity Securites	58.0%	4.77%
Fixed income	25.0%	0.77%
Real estate	5.0%	0.34%
Other alternative investments	10.0%	0.73%
Total	<u>100.0%</u>	<u>6.65%</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>\$555,704</u>	<u>\$446,439</u>	<u>\$354,784</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 2015 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, 2017**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Fees	\$ 1,020,000	\$ 1,100,000	\$ 1,122,671	\$ 22,671
Commissions	170,000	170,000	185,342	15,342
Security services	453,000	350,000	339,057	(10,943)
Other	-	-	3,685	3,685
Interest	1,800	2,500	-	(2,500)
Total revenues	<u>1,644,800</u>	<u>1,622,500</u>	<u>1,650,755</u>	<u>28,255</u>
EXPENDITURES:				
Salaries	680,000	670,000	665,216	4,784
Payroll taxes	60,000	53,000	51,458	1,542
Labor cost	200,000	215,000	210,689	4,311
Professional fees	165,000	165,000	164,426	574
Employee benefits	220,000	220,000	230,344	(10,344)
Automobile and insurance	30,000	36,000	34,595	1,405
Repairs and maintenance	2,000	2,000	-	2,000
Telephone	15,000	15,000	9,676	5,324
Office supplies and services	13,000	14,000	14,299	(299)
Other operating expenditures	45,000	31,788	24,525	7,263
Postage	8,000	8,000	7,000	1,000
Travel	10,000	11,000	10,036	964
Rent	14,000	14,000	14,088	(88)
Other expenses	12,000	12,000	898	11,102
Capital outlays	30,000	35,000	34,051	949
Total expenditures	<u>1,504,000</u>	<u>1,501,788</u>	<u>1,471,301</u>	<u>30,487</u>
Net change in fund balance	140,800	120,712	179,454	58,742
Fund balance, beginning of year	<u>1,168,906</u>	<u>1,259,488</u>	<u>1,259,488</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,309,706</u>	<u>\$ 1,380,200</u>	<u>\$ 1,438,942</u>	<u>\$ 58,742</u>

See accompanying independent auditors' report.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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
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 2017 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.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2017**

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

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$106,192
Benefits – insurance	1,290
Benefits – retirement	25,538
Benefits – other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	330
Conference travel	677
Continuing professional education fees	250
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

See Independent Auditors' Report on Supplementary Information.



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 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, 2017, 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 28, 2018.

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 28, 2018

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017**

**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, 2017**

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

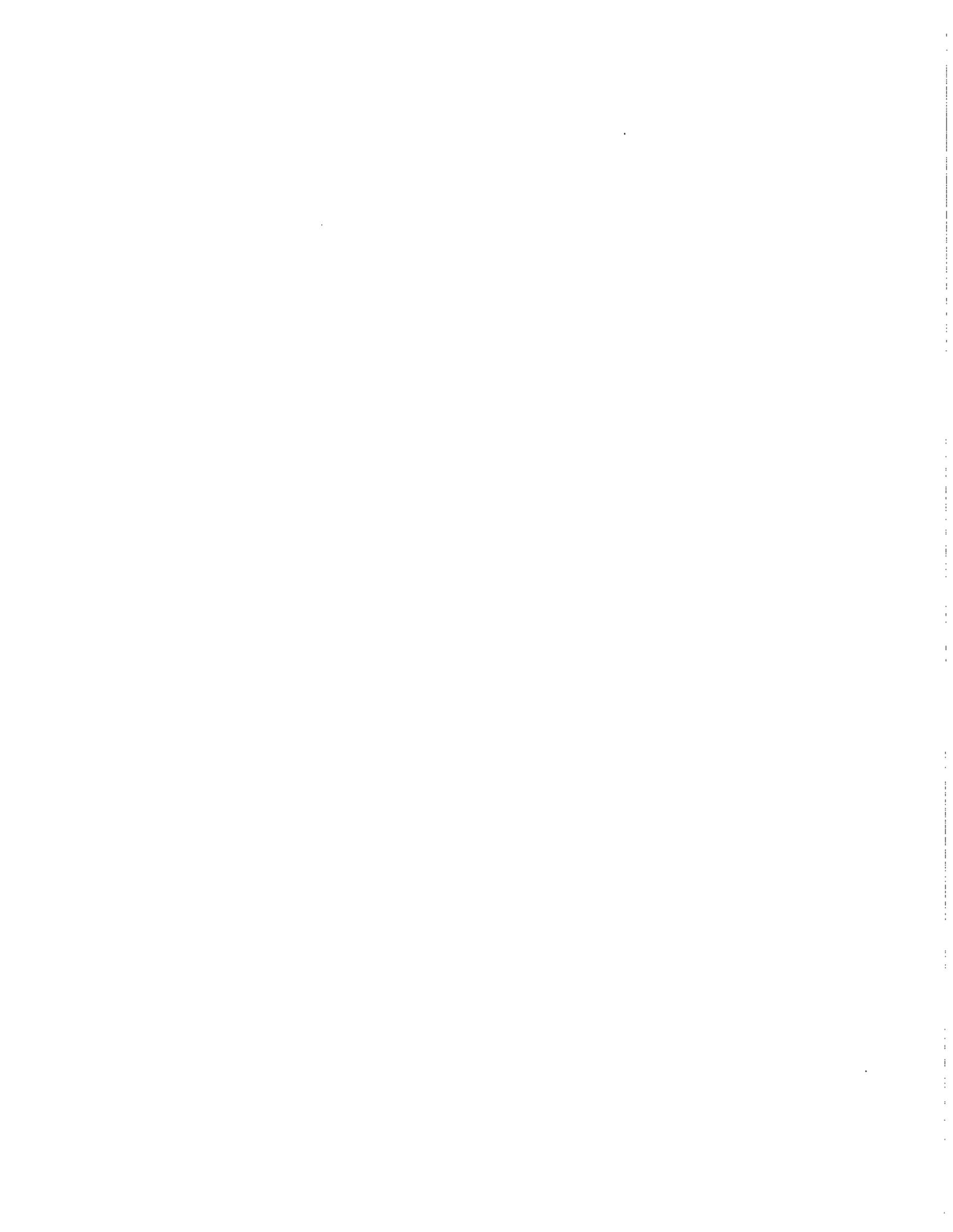
No matters reported.

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
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2017



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**

Constable Lambert C. Boissiere, Jr.
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, 2017 through December 31, 2017. **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:

Written Policies and Procedures

1. We obtained **the Constable's** written policies and procedures to determine whether the policies and procedures address each of the following financial/business functions, as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

No exceptions were noted.

b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were noted.

c) Disbursements, including processing, reviewing, and approving.

No exceptions were noted.

d) Receipts, including receiving, recording, and preparing deposits.

No exceptions were noted.

e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions were noted.

f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were noted.

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

- g) Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

No exceptions were noted.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were noted.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

No exceptions were noted.

- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions were noted.

Board (or Finance Committee, if applicable)

2. We obtained and reviewed the Board/Finance Committee minutes for the fiscal period to determine whether:

- a) the Board met (with a quorum) at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter, or other equivalent document.

We noted that there is no board or finance committee in place, nor is one required to be in place for the Constable of the First City Court, City of New Orleans. Therefore, the above procedure is not applicable.

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

- b) the Board minutes referenced or included monthly budget-to-actual comparisons on the **Constable's** fund, and if the budget-to-actual comparisons showed that management was deficit spending during the fiscal period, there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

We noted that there is no board or finance committee in place, nor is one required to be in place for the Constable of the First City Court, City of New Orleans. Therefore, the above procedure is not applicable.

- c) the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

We noted that there is no board or finance committee in place, nor is one required to be in place for the Constable of the First City Court, City of New Orleans. Therefore, the above procedure is not applicable.

Bank Reconciliations

3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

No exceptions were noted.

4. From the listing provided by management, we selected all four of the **Constable's** bank accounts and obtained bank statements and reconciliations for all months in the fiscal period to determine whether:

- a) Bank reconciliations have been prepared;

No exceptions were noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) have reviewed each bank reconciliation;

No exceptions were noted.

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

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

No exceptions were noted.

Cash Collections

5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

No exceptions were noted.

6. From the listing provided by management, we selected **the Constable's** only cash collection location and:

- a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) to determine whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

No exceptions were noted.

- b) Obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) to determine whether **the Constable** has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

No exceptions were noted.

- c) Selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- 1) Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement to determine whether the deposits were made within one day of collection.

We noted that 18 of the 19 deposits collected were deposited more than one (1) day after receiving the funds.

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

Management's Response

All efforts are made to adhere to the deposit procedures and make timely deposits to the bank. Due to a minimal number of employees on staff in the Constable's office, if an employee is absent, the verification process is interrupted, which may result in a delay in when deposits are made. Deposits are processed as quickly as possible and deposited on the next possible date.

- 2) Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation.

No exceptions were noted.

7. We obtained existing written documentation (e.g. policy manual, written procedure) to determine whether **the Constable** has a process specifically defined (identified as such by **the Constable**) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

No exceptions were noted.

Disbursements – General (excluding credit card purchases or payments)

8. We obtained **the Constable's** consolidated check register for the year ended December 31, 2017 and filtered for purchases only. We obtained management's representation that the consolidated check register population was complete.

No exceptions were noted.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction to determine whether:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

No exceptions were noted.

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

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

No exceptions were noted

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

No exceptions were noted.

10. We reviewed **the Constable's** documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the person responsible for processing payments is prohibited from adding vendors to **the Constable** purchasing/disbursement system.

No exceptions were noted.

11. We reviewed **the Constable's** documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No exceptions were noted.

12. We inquired of management and observed the supply of unused checks to determine whether unused checks are maintained in a locked location, with access restricted to those persons that do not have signatory authority.

No exceptions were noted.

13. We inquired of the individual with a signature stamp whether his or her signature is maintained under his or her control or is used only with his or her knowledge and consent. We also inquired whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

The Constable does not use a signature stamp. No exceptions were noted with regard to control over signed checks.

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

Credit Cards

14. We obtained from management a listing of all active credit cards, including the card numbers and the names of the persons who maintained possession of the cards and we obtained management's representation that the listing is complete.

No exceptions were noted.

15. Using the listing prepared by management, we randomly selected two (2) of the six (6) cards that were used during the fiscal period and obtained the monthly statements. We selected the monthly statement with the largest dollar activity for each card to determine whether:

a) there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions were noted

b) finance charges and/or late fees were assessed on the selected statements.

No exceptions were noted.

16. Using the monthly statements selected under #15 above, we obtained supporting documentation for all transactions for each of the two cards selected.

a) We reviewed each transaction to determine whether the transaction is supported by:

1) An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions were noted

2) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions were noted

3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions were noted

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

- b) For each transaction, we reviewed the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) for compliance with **the Constable's** written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes).

No exceptions were noted.

- c) For each transaction, we compared **the Constable's** documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

No exceptions were noted.

Travel and Expense Reimbursement

17. We obtained the consolidated check register for the year ended December 31, 2017 and filtered for travel reimbursements. We obtained management's representation that the consolidated check register population is complete.

No exceptions were noted.

18. We obtained **the Constable's** written policies related to travel and expense reimbursements and compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) to determine whether there are any amounts that exceed GSA rates.

No exceptions were noted.

19. Using the transactions from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies to determine whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging).

No exceptions were noted

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

b) We determined whether each expense is supported by:

1) An original itemized receipt that identifies precisely what was purchased.

No exceptions were noted

2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions were noted.

3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions were noted.

c) We compared **the Constable's** documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value.

No exceptions were noted.

d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted.

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period and obtained the consolidated check register for the year ended December 31, 2017 and filtered for contract payments. We obtained management's representation that the consolidated check register population is complete.

No exceptions were noted.

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

21. Using the listing above, we selected the five contract vendors that were paid the most money during the fiscal period, including the transportation contract and excluding purchases on state contract and payments to the practitioner. We obtained the related contracts and paid invoices and:

- a) We determined whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions were noted.

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code to determine whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- 1) If yes, we obtained and compared supporting contract documentation to legal requirements to determine whether **the Constable's** complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

This procedure is not applicable; none of the contracts were subject to Louisiana Public Bid Law or Procurement Code.

- 2) If no, we obtained supporting contract documentation to determine whether **the Constable's** solicited quotes as a best practice.

No exceptions were noted.

- c) We determined whether the contract was amended, and if so, we determined whether the original contract terms contemplated or provided for such an amendment.

No exceptions were noted.

- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, and compared the invoice to the contract terms, to determine whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions were noted.

- e) We obtained and reviewed contract documentation and board minutes to determine whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exceptions were noted.

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

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries. We randomly selected the five employees, obtained their personnel files, and:

- a) Reviewed compensation paid to each employee during the fiscal period to determine whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions were noted.

- b) Reviewed changes made to hourly pay rates/salaries during the fiscal period to determine whether those changes were approved in writing and in accordance with written policy.

No exceptions were noted.

23. We obtained attendance and leave records and randomly selected one pay period in which leave was taken by at least one employee (October 16, 2017 to October 31, 2017). Within that pay period, we randomly selected 25 employees to determine whether:

- a) all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Of the 25 employees selected for testing, the employee's daily attendance and leave was not documented for 1 selected employee.

Management's Response

Due to a shift in job responsibilities, the employee's status was clarified in 2017 and her daily attendance is now being documented.

- b) there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

No exceptions were noted.

- c) there is written documentation that **the Constable** maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees that earn leave.

No exceptions were noted.

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

24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees. We reviewed the termination payments to determine whether they were made in strict accordance with policy and/or contract and approved by management.

No exceptions were noted.

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period to determine whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions were noted.

Ethics

26. Using the five randomly selected employees from procedure #22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management to determine whether **the Constable** maintained documentation to demonstrate that required ethics training was completed. We also reviewed the employee files for the employees selected to determine whether there was a signed verification of having read the ethics policy included in the file.

No exceptions were noted.

27. We inquired of management whether any alleged ethics violations were reported to **the Constable** during the fiscal period and, if applicable, reviewed documentation demonstrating that management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with **the Constable's** ethics policy.

No alleged ethics violations were reported to the Constable during the fiscal period.

Debt Service

28. If debt was issued during the fiscal period, we obtained supporting documentation from **the Constable** to determine whether State Bond Commission approval was obtained.

No debt noted during the period.

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

29. If **the Constable** had outstanding debt during the fiscal period, we obtained supporting documentation from **the Constable** and report whether **the Constable** made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

No debt noted during the period.

30. If **the Constable** had tax millages relating to debt service, obtained supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

No tax millage noted during the period.

Other

31. We inquired of management whether **the Constable** had any misappropriations of public funds or assets. If so, we obtained and reviewed supporting documentation to determine whether **the Constable** reported the misappropriation to the Louisiana Legislative Auditor.

No misappropriations of public funds or assets were reported during the period.

32. We observed **the Constable's** premises and website to determine whether **the Constable** posted the notice required by R.S. 24:523.1.

No exceptions were noted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

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, the objective of which would be the expression of an opinion on management's assertions, 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.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 29, 2018