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CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS

GENERAL PURPOSE FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITORY REPORT  
FOR THE YEAR ENDING DECEMBER 31, 1993

Under provisions of state law this report is a public document. Copies of the report have been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

PREPARED BY: 7-28-94

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

Michael B. Bruno, CPA  
Robin J. Tervalon, J., CPA  
Robin J. Wood, J., CPA  
Paul H. Wood, Sr., CPA

## INDEPENDENT AUDITORS' REPORT

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

We have audited the general purpose financial statements of the Constable of the First City Court, City of New Orleans (the Constable) as of and for the year ended December 31, 2003, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Constable's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Constable as of December 31, 2003, and the results of its operations and changes in assets and liabilities of its Fiduciary Fund Type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Constable Lambert C. Boisjert, III  
First City Court  
City of New Orleans  
New Orleans, Louisiana  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated May 21, 2004 on our consideration of the Constable's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Bruno & Tervalon LLP*  
BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS

May 21, 2004

**CONSTABLE OF THE FIRST-CITY COURT  
CITY OF NEW ORLEANS  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP  
DECEMBER 31, 2009**

	Governmental Fund Type - General Fund		Fiduciary Fund Type - Agency Fund		Account Groups			Totals (Memorandum Debit)
	General Fund		Agency Fund		General Fixed Assets	Long-Term Debt		
<b>ASSETS AND OTHER DEBIT</b>								
Cash and cash equivalents (NOTE 2)	\$167,486		\$228,605		\$	\$	-0-	\$396,091
Accounts receivable	72,183		-0-		-0-	-0-	-0-	72,183
Prepaid expenses	15,107		-0-		-0-	-0-	-0-	15,107
<b>Fixed assets (NOTE 3):</b>								
Machinery and equipment	-0-		-0-		233,379	-0-	-0-	233,379
Automobile	-0-		-0-		95,349	-0-	-0-	95,349
Office furniture and equipment	-0-		-0-		174,987	-0-	-0-	174,987
Office improvements	-0-		-0-		33,472	-0-	-0-	33,472
Accumulated depreciation	-0-		-0-		(391,750)	-0-	-0-	(391,750)
Amount to be provided for retirement of general long-term debt (NOTE 4)	-0-		-0-		-0-	146,943	-0-	146,943
<b>TOTAL ASSETS AND OTHER DEBIT</b>	<b>\$254,776</b>		<b>\$228,605</b>		<b>\$165,631</b>	<b>\$146,943</b>		<b>\$776,045</b>

(CONTINUED)

The accompanying notes are an integral part of this statement.

CONSTABLE OF THE FIRST CITY COURT  
 CITY OF NEW ORLEANS  
 COMBINED BALANCE SHEET, CONTINUED  
 ALL FUND TYPES AND ACCOUNT GROUP  
 DECEMBER 31, 2000

	Governmental Fund Type- General Fund	Fiduciary Fund Type- Agency Fund	Account Group			Totals (Memorandum Only)
			General Fund/Agency	Long-Term Debt		
Accounts payable	\$ 518,391	\$ -	\$ -	\$ -	\$ 518,391	
Accrued liabilities	14,220	-	-	-	14,220	
Escrow deposits	-	238,695	-	-	238,695	
Compensated absences payable (NOTE 4)	-	-	-	46,943	46,943	
Claims and judgments payable (NOTE 4)	-	-	-	100,000	100,000	
Total liabilities	532,611	238,695	-	146,943	918,249	

(CONTINUED)

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
COMBINED BALANCE SHEET, CONTINUED  
ALL FUND TYPES AND ACCOUNT GROUP  
DECEMBER 31, 2000.**

	Governmental Fund Type		Fiduciary Fund Type		Account Groups			Totals (Memorandum Only)
	General Fund	Agency Fund	General Fund	Agency Fund	General Fund Assets	Long-Term Debt	Other	
<b>LIABILITIES, EQUITY AND OTHER CREDITS, CONTINUED:</b>								
Equity and Other Credits:								
Investment in general fixed assets (NOTE 3)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$145,631	\$ -0-		\$145,631
Fund balance:								
Unreserved/undesignated	222,165							222,165
Total equity and other credits	222,165				145,631			367,796
Total liabilities, equity and other credits	<u>\$222,165</u>	<u>\$222,165</u>	<u>\$222,165</u>	<u>\$222,165</u>	<u>\$145,631</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$778,042</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**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND TYPE--GENERAL FUND**  
**For the Year Ended December 31, 2003**

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<b>REVENUES:</b>	
Fees	\$ 1,415,155
Commissions	368,639
Security services	72,183
Miscellaneous	<u>15,906</u>
Total revenues	<u>1,871,874</u>
<b>EXPENDITURES:</b>	
Salaries	1,079,766
Payroll taxes	89,729
Labor cost	36,570
Professional fees	188,035
Insurance	173,552
Automobile	27,442
Radio communication	14,465
Telephone	22,738
Office supplies and services	28,781
Other operating expenditures	44,905
Capital outlay	49,628
Rent	<u>40,028</u>
Total expenditures	<u>1,712,639</u>
Excess of revenues over expenditures	159,235
Fund balance, beginning of year	<u>67,939</u>
Fund balance, end of year	<u>\$ 227,163</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  
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL—  
GOVERNMENTAL FUND TYPE—GENERAL FUND  
For the Year Ended December 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Fees	\$ 1,506,750	\$ 1,413,155	\$ (93,595)
Commissions	338,623	368,630	30,007
Interest	3,700	-0-	(3,700)
Security services	-0-	72,183	72,183
Miscellaneous	<u>925</u>	<u>15,906</u>	<u>14,981</u>
Total revenues	<u>1,850,000</u>	<u>1,871,874</u>	<u>21,874</u>
<b>EXPENDITURES:</b>			
Salaries	1,123,300	1,079,766	43,534
Payroll taxes	88,150	89,729	(1,579)
Labor cost	45,150	36,570	8,580
Professional fees	173,075	108,035	65,040
Insurance	141,800	175,552	(33,752)
Automobile	18,800	27,442	(8,642)
Radio communication	21,500	14,465	7,035
Telephone	36,500	22,758	13,742
Office supplies and services	34,725	28,781	(4,956)
Other operating expenditures	47,900	44,905	2,995
Capital outlay	-0-	49,628	(49,628)
Rent	<u>-0-</u>	<u>40,028</u>	<u>(40,028)</u>
Total expenditures	<u>1,730,000</u>	<u>1,712,639</u>	<u>17,361</u>
Excess of revenues over expenditures	120,000	154,235	34,235
Fund balance, beginning of year	<u>67,950</u>	<u>67,950</u>	<u>-0-</u>
Fund balance, end of year	\$ <u>197,950</u>	\$ <u>222,165</u>	\$ <u>24,215</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT**  
**CITY OF NEW ORLEANS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDED TYPE AGENCY FUND**  
**For the Year Ended December 31, 2003**

	<u>BALANCE</u> <u>FORWARD</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/03</u>
<b>ASSETS</b>				
Cash	\$25,276	\$6,373,126	\$6,397,347	\$28,655
<b>LIABILITIES</b>				
Encour deposits	\$22,206	\$6,373,326	\$6,397,347	\$28,655

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

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NOTE 1 - *Summary of Significant Accounting Policies:*

*Organization*

The Constable of the First City Court, City of New Orleans (the Constable), was established by Sections 99 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 R.S. 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 13:1737, 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 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 \$20,000.

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

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

A. Reporting Entity

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

B. Basis of Presentation

The accompanying general purpose financial statements of the Constable have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C. Fund Accounting

The accounts of the Constable are organized on the basis of funds and account groups, each of which are considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the general purpose financial statements are described as follows:

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

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

C. Fund Accounting, Continued

o Governmental Fund Type-General Fund

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.

o Fiduciary Fund Type-Agency Fund

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.

D. General Fixed Assets Account Group

The account group is not a "fund", but rather a group of accounts that is used to account for assets acquired principally for general purposes. It is concerned only with the measurement of financial position and is not involved with measurement of results of operations. Accumulated depreciation is recorded in the account group and is offset by a decrease in the investment in general fixed assets.

E. General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding balances of compensated absences and other long-term liabilities.

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

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NOTE 1 - *Summary of Significant Accounting Policies, Continued*

F. *Basis of Accounting*

Governmental Funds and Fiduciary Funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Charges for services and miscellaneous revenues are recorded as revenues when received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Agency Fund assets and liabilities are accounted for on the modified accrual basis.

G. *Budgetary Accounting*

The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal ten days prior to the public hearing for comments from taxpayers. 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 general purpose financial statements reflect the originally adopted budget and all subsequent amendments.

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

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

H. Vacation and Sick Leave

Employees of the office are allowed to accumulate 10 days of vacation time and ten (10) days of sick leave during a calendar year. For the year ended December 31, 2003, 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.

I. Total Column on Combined Balance Sheet

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

J. 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.

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

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

K. 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.

L. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed assets account group. General fixed assets provided by the Constable are recorded within the general fixed assets account group. No depreciation has been provided in the general fund. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

M. Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2003, no allowance for uncollectible receivables was provided.



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

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**NOTE 2 - Cash and Cash Equivalents:**

At December 31, 2003, the Constable has cash and cash equivalents (book balances) totaling \$396,181, as follows:

Cash on hand	\$ 400
Non interest-bearing demand deposits	<u>395,781</u>
Total	<u>\$ 396,181</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Constable has \$920,648 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$1,364,090 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 59:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Constable that the fiscal agent has failed to pay deposited funds upon demand.

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

**NOTE 3 - General Fixed Assets:**

Changes in the general fixed assets account group are as follows at December 31, 2003:

	Beginning Balance	Additions	Deletions	Ending Balance
Machinery and equipment	\$233,579	\$ -0-	\$ -0-	\$233,579
Automobile	63,774	48,576	(17,001)	95,349
Office furniture and equipment	174,987	-0-	-0-	174,987
Office improvements	<u>23,529</u>	<u>3,852</u>	<u>-0-</u>	<u>27,381</u>
Total	<u>\$495,869</u>	<u>\$ 52,428</u>	<u>\$ (17,001)</u>	531,297
Less: Accumulated depreciation				<u>(209,736)</u>
Total fixed assets Net of accumulated depreciation				<u>\$ 321,561</u>

Depreciation expense for the year ended December 31, 2003 was \$37,510.

**NOTE 4 - General Long-Term Debt:**

Changes in the general long-term debt account group are as follows at December 31, 2003:

	Beginning Balance	Additions	Deletions	Ending Balance
Compensated absences payable	\$ 42,468	\$ 4,475	\$ -0-	\$ 46,943
Claims and judgments payable	100,000	-0-	-0-	100,000
Total	<u>\$142,468</u>	<u>\$ 4,475</u>	<u>\$ -0-</u>	<u>\$ 146,943</u>

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

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NOTE 5 - Contingency - Litigation:

The Constable is a defendant in two separate lawsuits filed by two individuals for alleged civil rights violations. Outside counsel for the Constable has advised that there is a likelihood that the outcome will be unfavorable, resulting in a potential loss. Accordingly, the Constable has recorded \$100,000 to the general long-term debt account group at December 31, 2003.

NOTE 6 - 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.

NOTE 7 - Operating Lease

The Constable leases office space under operating leases expiring various years through 2005.

Minimum future rental payments under the non-cancelable operating lease that has a remaining term in excess of one (1) year as of December 31, 2003 for each of the next two (2) years and in the aggregate are:

Year Ending	Amount
2004	\$13,004
2005	<u>9,253</u>
Total minimum future rental payments	<u>\$22,257</u>



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American Institute of  
Certified Public Accountants  
Society of Accountants  
Certified Public Accountants

Michael E. Gross, CPA  
Arthur J. Tervalon, Jr., CPA  
Walter J. Merritt, Jr., CPA  
Paul S. Amick, III, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

---

Constable Lambert C. Boisjorie, III  
First City Court  
City of New Orleans  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Constable of the First City Court, City of New Orleans (the Constable) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 21, 2004. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Constable's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose 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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 03-01. We also noted certain immaterial instances of noncompliance that we have reported, to management of the Constable, in a separate letter dated May 21, 2004.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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(CONTINUED)

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

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Constable's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Constable's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-03.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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(CONTINUED)

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

We noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated May 21, 2004.

This report is intended solely for the use of the Constable, its management and the Legislative Auditor and is not intended to be and should not be used by anyone other than those 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

May 21, 2004

CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

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I **SUMMARY OF AUDITORS' RESULTS**

- A. The type of report issued on the general purpose financial statements: **unqualified opinion.**
- B. Reportable conditions in internal control were disclosed by the audit of the general purpose financial statements: **yes**, material weaknesses: **no**.
- C. Noncompliance which is material to the general purpose financial statements: **yes.**
- D. Reportable conditions 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 510(a) of OMB Circular A-133: **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 530 of OMB Circular A-133: **not applicable.**
- J. A management letter was issued: **yes.**

**CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2003**

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**II FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**02-01 Salary Advance**

During our audit we noted that the Constable issued an advance of salary for a three month period prior to employment duties being performed. Article VII, Section 14 of the Louisiana Constitution, Louisiana Revised Statute 14:138 and AG Opinion 79-729 prohibits the advance of wages to public officials or public employees. Based on our review, we determined that no additional salary was paid for the three month period in 2003.

We recommend that the Constable establish written policies and procedures which prohibit the advance of salaries and wages and ensure compliance with State Revenue and Expenditure Restriction Laws.

**03-02 Segregation of Duties**

The Chief Accountant is performing incompatible duties in the cash receipts and disbursements areas. This individual is responsible for reconciling cash receipts records, processing cash disbursements, maintaining accounts payable, reconciling bank accounts, making bank deposits, and recording cash receipts and general ledger entries.

When internal controls are weakened by the lack of segregation of duties, opportunities for fraudulent activities and errors resulting in possible material misstatements may increase.

In order to maintain effective internal controls, no one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction.



CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2003

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**II FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
CONTINUED**

**03-03 Segregation of Duties, Continued**

Therefore, we recognized that the Constable review current accounting duties and segregate, when possible, those duties that are incompatible. When segregating duties are not feasible, the Constable should actively provide oversight over those duties and activities.

**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, 2003

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**I INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO THE FINANCIAL STATEMENTS**

No prior year comments reported.

**II FINDINGS AND QUESTIONED COSTS  
RELATED TO FEDERAL AWARDS**

Not applicable.

**III MANAGEMENT LETTER**

See the status of prior year audit management letter comments reported to management of the Constable in a separate letter dated May 21, 2004.



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

Michael B. Brown, CPA  
Arthur J. Tervalon, Jr., CPA  
Walter J. Brown, Jr., CPA  
Paul K. Joseph, Sr., CPA

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

Constable Lambert C. Boisjars, III  
First City Court  
City of New Orleans  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Constable First City Court, City of New Orleans (the Constable) for the year ended December 31, 2003 and have issued our report thereon dated May 21, 2004.

In planning and performing our audit of the general purpose financial statements of the Constable for the year ended December 31, 2003, we consider the Constable's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and to provide assistance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal controls or result in other operating efficiencies and are listed in Appendix A to this report.

Additionally, the status of the comments from our prior year letter to you dated May 2, 2003 is included in Appendix B. While we recognize that a number of our observations and comments require additional financial resources which may not be currently available, we believe that they still warrant continued consideration by management.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
CONTINUED

Constable Lambert C. Boissiere, III  
First City Court  
City of New Orleans  
New Orleans, Louisiana  
Page 2

This report is solely for the use of the Constable, its management and the State of Louisiana, Legislative Auditor and is not intended to be and should not be used by anyone other than those 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

May 21, 2004

CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
CURRENT YEAR MANAGEMENT COMMENTS

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**03-01 OUTSTANDING CHECKS - AGENCY FUND**

As in the prior year, at December 31, 2000, we noted approximately 600 checks totaling \$98,209 listed as outstanding checks that are considered abandoned property under the escheat laws for the State of Louisiana.

Under Louisiana Law, outstanding checks held in trust by the Constable older than one (1) year should be reported and remitted to the State. Noncompliance of the escheat law is considered a violation of Louisiana Revised Statute 9:131-9:196.

We recommend that the Constable comply with abandoned property laws and report and remit to the State amounts of agency fund checks outstanding over one (1) year.

**03-02 ACCOUNTS PAYABLE**

We noted during our audit that the Constable does not have a system in place to adequately age accounts payable by vendor. Accurate amounts owed to certain vendors are not known on a monthly basis for the purpose of controlling purchases and paying vendors on a timely basis.

An organization should establish and maintain internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and the reliability of financial reporting.

We recommend that the Constable take the steps to implement a system to age individual accounts payable so that purchases can be controlled and vendor payments made timely.

CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
CURRENT YEAR MANAGEMENT COMMENTS, CONTINUED

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**03-03 SUBSIDIARY RECORDS**

At December 31, 2003, the general ledger balance for the deposit escrow account did not agree by \$38,355 to the subsidiary report generated by the Constable's computer system.

We noted during our test work that no individual was assigned to the task of periodically reviewing amounts recorded to the general ledger and the deposit account.

Although the difference was reconciled, we recommend that the Constable establish a system to ensure that the general ledger balance is reconciled to the deposit escrow subsidiary records on a monthly basis.

**03-04 FIXED ASSET INVENTORY**

We noted during our audit that the Constable has not performed a physical fixed asset inventory within a two (2) year period.

We recommend that the Constable implement property management procedures that require fixed assets to be physically inventoried annually. Based on the results of the physical inventory, the Constable should adjust its fixed asset records.

CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
CURRENT YEAR MANAGEMENT COMMENTS, CONTINUED

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03-05 RECONCILIATION OF CASH

We noted during our audit that duplicate check numbers and amounts were included as reconciling items of the Special Cash account. Although the accountant may exclude these amounts from the reconciling items several months later, these amounts are incorrectly shown as outstanding items for other months for which financial statements are prepared.

A proper review and correction of this information on a monthly basis is necessary to ensure the reliability of the financial information being reported.

We recommend that the Constable establish procedures to ensure that duplicate or inaccurate information is not used in determining the cash balances during the reconciliation process, in order to reduce material misstatements in financial reporting.

03-06 VOIDED CHECKS

During our testwork of agency cash, we noted over \$10,500 of checks listed as outstanding that were actually voided checks. During the audit period, the Constable lacked a procedure to adjust the special account check register for checks that were voided. Instead, checks would be listed as outstanding for extremely long periods.

Additionally, the Constable did not investigate checks listed as outstanding for periods of six (6) months or longer.

We recommend that the Constable implement procedures to investigate all checks remaining uncashed for over six (6) months to include reviewing voided check records. The Constable should determine the reason for checks that remain uncashed for long periods and the amounts either restored to the cash account or disposed of according to the State of Louisiana escheat law.

CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
PRIOR YEAR MANAGEMENT COMMENTS

---

02-01 FUND BALANCE

We recommended that the Constable establish procedures which assure increased revenues and reduced spending in order to maintain fund balance at an adequate level.

Current Status

Resolved.

02-02 OUTSTANDING CHECKS - AGENCY FUND

We recommended that the Constable comply with abandoned property laws by reporting and remitting to the State amounts of agency fund checks outstanding over one year.

Current Status

Unresolved. See current year management letter comment 03-01.

02-03 ACCOUNTS PAYABLE

We recommended that the Constable take steps to implement a system to age individual accounts payable so that purchases may be controlled and vendor payments are made timely.

Current Status

Unresolved. See current year management letter comment 03-02.



CONSTABLE OF THE FIRST CITY COURT  
CITY OF NEW ORLEANS  
PRIOR YEAR MANAGEMENT COMMENTS, CONTINUED

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03-04 **SUBSIDIARY RECORDS**

We recommended that the **Constable** establish a system to ensure that the general ledger balance is reconciled to the deposit across subsidiary records on a monthly basis.

Current Status

Unresolved. See current year management letter comment 03-03.



# LAMBERT C. BOISSIERE, III

CONSTABLE

FIRST CITY COURT - CITY OF NEW ORLEANS  
ROOM 208, CIVIL DISTRICT COURT BUILDING  
421 LOYOLA AVENUE  
NEW ORLEANS, LOUISIANA 70112

(504) 524-4208  
FAX (504) 123-0919

Mr. Steve Thoriot  
Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70804

June 15, 2004

Dear Mr. Thoriot,

Our audit for the year ended December 31, 2003 is complete. Accordingly, we submit the following response to the findings in the audit report.

- 01-01 The Constable's office has established a policy explicitly prohibiting the advance of salaries and wages to anyone. Applicable State Revenue and Expenditure Restriction Laws have been photocopied and placed in the files of the office.
- 01-02 The Constable's office has undertaken a review of current accounting duties. The purpose of the review is to identify incompatible duties and segregate same, when possible. The Constable will actively provide oversight when segregation of duties is not feasible.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lambert C. Boissiere, III".

Lambert C. Boissiere, III  
Constable, First City Court



# LAMBERT C. BOISSIERE, III

CONSTABLE

FIRST CITY COURT - CITY OF NEW ORLEANS  
ROOM 306, CIVIL DISTRICT COURT BUILDING  
421 LEVEE AVENUE  
NEW ORLEANS, LOUISIANA 70112

(504) 525-5254  
FAC: (504) 525-6020

Mr. Steve Theriot  
Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70804

June 25, 2004

Dear Mr. Theriot,

Our audit for the year ended December 31, 2003 is complete. Accordingly, we submit the following response to the management letter comments in the audit report.

- 03-01 The Constable's office currently sends abandoned property to the state on an annual basis in accordance with state law. Our outstanding checklist is affected by checks which, while remaining uncashed for lengthy periods of time, do not meet the description of abandoned property. The office will immediately commence to research the outstanding check list, for the purpose of ensuring that checks outstanding beyond a reasonable length of time are be disposed of properly.
- 03-02 The Constable's office has begun using an accounts payable module with its accounting software. Accounts payable are currently being aged with same.
- 03-03 The Constable's office will commence reconciling the deposit overdraw account to the account subsidiary record on a monthly basis beginning June, 2004.
- 03-04 The Constable's office has inventoried fixed assets periodically. The last physical inventory was conducted in June 2002. The Constable's office will henceforth document all future physical inventories, and ensure that the physical inventory is reconciled to the general ledger. Furthermore, the office has adopted an official policy requiring an inventory of assets no less than once per year.

- 03-05 The Constable's office will establish procedures to ensure that duplicate or inaccurate information is not used in determining the cash balances during the reconciliation process. Please see our response to item 03-01 above.
- 03-06 The Constable's office will implement procedures to investigate checks remaining uncashed over six months, and ensure the proper disposal of same. Please see our response to item 03-01 above.

Respectfully submitted,



Lambert C. Baislers, III  
Constable, First City Court