

WARD FOUR MARSHAL –
CITY OF SULPHUR, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

December 14, 2023

Honorable Brandon Dever
Ward Four Marshal - City of Sulphur, Louisiana
Sulphur, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ward Four Marshal, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Marshal's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ward Four Marshal as of June 30, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Ward Four Marshal - City of Sulphur, LA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ward Four Marshal - City of Sulphur, LA's ability to continue as a going concern for twelve months

beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit and findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension schedules, on pages 33 through 35 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 the 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 principally 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.

The Marshal has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ward Four Marshal's basic financial statements. The justice system funding schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The justice system funding schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of compensation, benefits and other payments to Chief Executive Officer but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the Ward Four Marshal's internal control over financial reporting and 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 the 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 Ward Four Marshal's internal control over financial reporting and compliance.



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 469,693
Receivables - court fees	-
Capital assets, net of accumulated depreciation	<u>193,470</u>
TOTAL ASSETS	<u><u>\$ 663,163</u></u>
DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 95,048</u></u>
LIABILITIES	
Accounts payable	\$ -
Net pension liability	<u>244,152</u>
TOTAL LIABILITIES	<u><u>\$ 244,152</u></u>
DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 18,494</u></u>
NET POSITION	
Net investment in capital assets	\$ 193,470
Unrestricted	<u>302,095</u>
TOTAL NET POSITION	<u><u>\$ 495,565</u></u>

The accompanying notes are an integral part of these financial statements.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net Revenues (Expenses) and Changes in <u>Net Position</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public safety	\$ 752,630	\$ 147,297	\$ 635,442	\$ 30,109
		General Revenues:		
			Gain on sale of assets	<u>24,104</u>
			Total General Revenues	<u>24,104</u>
Changes in Net Position				54,213
Net Position - Beginning				<u>441,352</u>
Net Position - Ending				<u>\$ 495,565</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTIONS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	<u>General</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 469,693	\$ 421,764
Receivables - court fees	<u>-</u>	<u>11,692</u>
TOTAL ASSETS	<u>469,693</u>	<u>433,456</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 469,693</u>	<u>\$ 433,456</u>
LIABILITIES		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCES		
Unassigned	<u>469,693</u>	<u>433,456</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 469,693</u>	<u>\$ 433,456</u>

The accompanying notes are an integral part of these financial statements.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2023

Total fund balance for governmental fund at June 30, 2023		\$469,693
Total net position 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 funds. Those assets consist of:		
Capital assets, net of \$124,832 accumulated depreciation		193,470
Deferred outflows and inflows for pension resources are not financial resources or currently payable:		
Deferred inflows related to pension	\$(18,494)	
Deferred outflows related to pension	<u>95,048</u>	76,554
Long-term liability which is not included as a liability in the governmental fund type balance sheet:		
Net pension asset (liability)		<u>(244,152)</u>
Total net position of governmental activities at June 30, 2023		<u><u>\$495,565</u></u>

The accompanying notes are an integral part of these financial statements.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2023

	General	
	2023	2022
REVENUES		
Court fees and costs	\$ 120	\$ 270
Intergovernmental	635,442	595,480
Sale of assets	24,104	6,500
Other revenues	130,613	56,647
House Bill 315	16,564	17,162
Total revenues	<u>806,843</u>	<u>676,059</u>
EXPENDITURES		
General Government		
Communication	3,120	3,201
Bank charges	-	20
Dues and subscriptions	9,030	325
Litter detail	-	2,907
Legal and professional	11,000	8,675
Office supplies	10,430	8,120
Other expenses	7,314	8,988
Postage	455	504
Salaries and benefits	566,041	484,374
Uniforms	8,129	7,140
Vehicle expense	16,527	11,136
Capital Outlay	138,560	80,795
Total expenditures	<u>770,606</u>	<u>616,185</u>
NET CHANGES IN FUND BALANCE	36,237	59,874
FUND BALANCE - BEGINNING	<u>433,456</u>	<u>373,582</u>
FUND BALANCE - ENDING	<u>\$ 469,693</u>	<u>\$ 433,456</u>

The accompanying notes are an integral part of these financial statements.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES

Year Ended June 30, 2023

Total net changes in fund balance at June 30, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 36,237
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The change in net position reported for governmental activities
in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 138,560	
Depreciation expense for the year ended June 30, 2023	(31,617)	
Sale of assets	(24,104)	
Gain on sale of assets	<u>24,104</u>	106,943

Net pension expense is reported in the governmental funds as
well as expenditures as they are paid, however, in the statement
of activities the net position expense is reported according to
estimates required by GASB 68:

Pension expense paid	<u>(88,967)</u>
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Total changes in net position at June 30, 2023 per Statement of Activities	<u>\$ 54,213</u>
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The accompanying notes are an integral part of these financial statements.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA
STATEMENT OF NET POSITION - FIDUCIARY FUND

June 30, 2023

ASSETS	
Cash	<u>\$ 25,146</u>
Total Assets	<u><u>\$ 25,146</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u><u>\$ -</u></u>
LIABILITIES	
Due to others	\$ 25,146
Due to other funds	<u>-</u>
Total Liabilities	<u><u>\$ 25,146</u></u>
DEFERRED INFLOWS OF RESOURCES	
	<u><u>\$ -</u></u>
NET POSITION	
Unrestricted	<u>\$ -</u>
Total Net Position	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2023

REVENUES	
Garnishments and fees	\$ 228,457
Interest income	1
Total revenues	228,458
EXPENSES	
Remittance of seizures, bond forfeitures, fines and cost:	
Garnishments and fees	228,327
Administrative expense	131
Total expenses	228,458
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	-
NET POSITION - ENDING	\$ -

The accompanying notes are an integral part of these financial statements

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Sulphur in and for Ward Four has jurisdiction which encompasses the City of Sulphur, LA and the surrounding ward of Calcasieu Parish. The Ward Four Marshal is the executor of the City Court and the Ward Four Marshal's Office is responsible for executing the orders and mandates of the Court. Operation of the Ward Four Marshal's Office is funded primarily by court costs and fees assessed from persons participating in the judicial process.

The financial statements of the Ward Four Marshal have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The more significant of the government's accounting policies are described below.

1. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Ward Four Marshal includes all funds, account groups, et cetera, that are within the oversight responsibility of the Ward Four Marshal.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Sulphur, LA for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City of Sulphur, LA to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits or to impose specific financial burden on the City of Sulphur, LA.
2. Organizations for which the City of Sulphur, LA. does not appoint a voting majority but are fiscally dependent on the City of Sulphur, LA.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Because the City of Sulphur, LA financial statements would be misleading if data of the Ward Four Marshal was not included and due to the nature and significance of the relationship, the Marshal was determined to be a component unit of the City of Sulphur, LA., the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City of Sulphur, LA., the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

2. BASIS OF PRESENTATION

The accompanying basic financial statements of the Ward Four Marshal have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, “Basic Financial Statements and Management’s Discussion and Analysis-for State and Local Governments”, issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Marshal as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are reported only in the Statement of Net Position at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Marshal’s governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Marshal, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Marshal functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Marshal are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the Marshal or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Marshal reports the following major fund:

The General Fund is the primary operating fund of the Marshal. It accounts for all financial resources except those that are required to be accounted for in other funds.

Fiduciary Funds:

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds. This fund's activities are reported in a separate statement of fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Marshal's own programs. Fiduciary funds are presented on an economic resources management focus and the accrual basis of accounting, similar to the government-wide financial statements.

3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

4. BUDGET PRACTICES

Formal budgeting integration is employed as a management control device during the year for the general fund. These budgets are adopted on a basis consistent with generally accepted accounting principles.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, time deposits and those other investments with original maturities of 90 days or less. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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 or exceed 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 June 30, 2023, the Marshal has \$491,047 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal bank.

6. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. The Marshal maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Leasehold improvements	20 years
Vehicles	5 years
Gun inventory	7 years
Office furniture and equipment	5-7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. EQUITY CLASSIFICATION

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position– Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as assigned and unassigned.

- a. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal actions.
- b. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Marshal considers the restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Marshal considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

8. REVENUES, EXPENDITURES, AND EXPENSES

Revenue. Court fees and intergovernmental revenue are received in the month following collection by the City Court. The Marshal recognizes court fee revenue and intergovernmental revenue during the month they are collected by the City Court. The Marshal recognizes fees from fiduciary activities in the period such fees are collected.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Expenditures. Salaries are recorded when paid. Purchases of capital assets and other goods and services are recorded when those goods or services have been delivered. Principal and interest on general long-term obligations are recognized when due.

9. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 14, 2023, the date the financial statements were available to be issued.

11. BUDGET

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end. On or before the end of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Expenditures may not legally exceed budgeted appropriations at the activity level.

12. ACCOUNTS RECEIVABLE

No reserve for uncollectible receivables had been recorded as of June 30, 2023, as all receivables were considered collectible.

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2023 follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at End of Period</u>
Vehicles	\$ 168,993	\$ 112,477	\$ (43,250)	\$ 238,220
Gun inventory	8,724	-	-	8,724
Office furniture and equipment	44,010	26,083	-	70,093
Leasehold improvements	<u>1,265</u>	<u>-</u>	<u>-</u>	<u>1,265</u>
	222,992	138,560	(43,250)	318,302
Less accumulated depreciation	<u>136,465</u>	<u>31,617</u>	<u>(43,250)</u>	<u>124,832</u>
	<u>\$ 86,527</u>	<u>\$ 106,943</u>	<u>\$ (-)</u>	<u>\$ 193,470</u>

Depreciation expense for the year was \$31,617.

NOTE C – CHANGES IN AGENCY FUND DUE TO OTHERS

A summary of changes in agency fund due to others for the year ended June 30, 2023, is a follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Disbursements</u>	<u>Balance at End of Period</u>
Garnishments funds	<u>\$ 26,120</u>	<u>\$ 228,458</u>	<u>\$ (229,432)</u>	<u>\$ 25,146</u>

NOTE D - COMMITMENTS AND CONTINGENCIES

The Marshal is covered for substantially all business risks under the risk management programs of the City of Sulphur, LA.

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE E - ON-BEHALF PAYMENTS

The Marshal reports in the financial statements on-behalf salary and fringe benefit payments made by the Calcasieu Parish Police Jury and the City of Sulphur, Louisiana to the Marshal's employees. Salary and fringe payments are made by the Parish and City directly to the employees. The Calcasieu Parish Police Jury and the City of Sulphur, Louisiana make pension contributions for the qualified employees to the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Such payments are recorded as intergovernmental revenue and expenditures in the GAAP basis government-wide and general fund financial statements.

The City of Sulphur, Louisiana and Calcasieu Parish Police Jury made on-behalf payments of \$395,733 for the Marshal for the year ended June 30, 2023, as follows:

City of Sulphur, Louisiana	\$ 395,733
Calcasieu Parish Police Jury	<u>-</u>
Total	<u>\$ 395,733</u>

NOTE F – PENSION PLANS

Substantially all employees of the Marshal are eligible to participate in the Municipal Employees' Retirement System.

1. Municipal Employees Retirement System of Louisiana (System)

Plan Description. Substantially all employees of the Marshal are eligible to participate in the Municipal Employees' Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Marshal are members of Plan A.

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with twenty (20) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE F – PENSION PLANS - CONTINUED

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 10.00% of their annual covered salary and the Marshal is required to contribute at an actuarially determined rate. The current rate is 29.50% of annual covered payroll. The Marshal contributions to the System under Plan A for the year ended June 30, 2023 was \$37,113.

At June 30, 2023, the Marshal reported a liability of \$244,152 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Marshal's proportion of the net pension liability was based on a projection of the Marshal's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the Marshal's proportion was .0587861%.

For the year ended June 30, 2023, the Marshal recognized pension expense (benefit) of \$88,967 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$3,305.

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE F – PENSION PLANS - CONTINUED

At June 30, 2023, the Marshal reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 288	\$ 934
Difference between expected and actual investment	40,626	-
Difference between expected and actual assumption	2,365	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	14,656	7,645
Amortization	-	9,915
Contributions subsequent to the measurement date	<u>37,113</u>	<u>-</u>
Total	<u>\$ 95,048</u>	<u>\$ 18,494</u>

\$37,113 reported as deferred outflows of resources related to pensions resulting from Marshal contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2024	\$ 8,257
2025	11,772
2026	583
2027	16,178
2028	-
Thereafter	-

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE F – PENSION PLANS - CONTINUED

Actuarial methods and assumption. The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2023 are as follows:

	<u>Plan A</u>	<u>Plan B</u>
Total Pension Liability	\$1,292,471,340	\$ 288,388,827
Plan Fiduciary Net Pension	<u>877,147,955</u>	<u>200,590,478</u>
Total Net Pension Liability	<u>\$ 415,323,385</u>	<u>\$ 87,798,349</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.5%
Expected Remaining Service Lives	3 years
Salary Increases, including inflation and merit increases:	
-1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B
-More than 4 years of service	4.5% Plan A and 4.9%-Plan B
Annuitant and beneficiary Mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE F – PENSION PLANS - CONTINUED

Disabled lives mortality PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

Employee mortality PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

The discount rate used to measure the total pension liability was 6.85% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current 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 to changes in discount rate. The following presents the net pension liability of the Marshal calculated using the discount rate of 6.85%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.85% or one percentage point higher 7.85% than the current rate (assuming all other assumptions remain unchanged):

	<u>Changes in Discount Rate 2022</u>		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability (Asset)	\$ 324,770	\$ 244,153	\$ 176,033

REQUIRED SUPPLEMENTARY INFORMATION

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Court fees and costs	\$ -	\$ -	\$ 120	\$ 120
Intergovernmental	621,775	621,775	635,442	13,667
Sale of assets	-	-	24,104	24,104
Other revenues	-	-	130,613	130,613
House Bill 315	-	-	16,564	16,564
Total revenues	<u>621,775</u>	<u>621,775</u>	<u>806,843</u>	<u>185,068</u>
EXPENDITURES				
General Government				
Communication	3,500	3,500	3,120	380
Dues and subscriptions	9,500	10,500	9,030	1,470
Legal and professional	12,000	12,000	11,000	1,000
Office supplies	7,500	7,500	10,430	(2,930)
Other expenses	17,000	22,000	7,314	14,686
Repairs and maintenance	-	-	-	-
Postage	450	450	455	(5)
Salaries and benefits	462,000	510,000	566,041	(56,041)
Uniforms	12,000	12,000	8,129	3,871
Vehicle expense	27,100	33,100	16,527	16,573
Capital Outlay	150,000	150,000	138,560	11,440
Total expenditures	<u>701,050</u>	<u>761,050</u>	<u>770,606</u>	<u>(9,556)</u>
NET CHANGES IN FUND BALANCE	(79,275)	(139,275)	36,237	175,512
FUND BALANCE - BEGINNING	<u>433,456</u>	<u>433,456</u>	<u>433,456</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 354,181</u>	<u>\$ 294,181</u>	<u>\$ 469,693</u>	<u>\$ 175,512</u>

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended June 30, 2023

Municipal Employees Retirement System of Louisiana (System):

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Employer's portion of the net pension liability (asset)	0.05879%	0.02249%
Employer's proportionate share of the net pension liability (asset)	\$ 244,152	\$ 69,495
Employer's covered payroll	\$ 125,806	\$ 52,672
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	194.07%	131.94%
Plan fiduciary net position as a percentage of the total pension liability	67.87%	144.44%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The amounts presented have a measurement date of June 30, 2022.

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

Schedule of Employer Contributions

Year Ended June 30, 2023

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
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Municipal Employees Retirement System of Louisiana (System):

2022	\$ 15,538	\$ 15,538	\$ -	\$52,672	29.5%
2023	\$ 37,113	\$ 37,113	\$ -	\$125,806	29.5%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2023

Cash Presentation	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected		
Add: Collections		
Not applicable	-	-
Subtotal Collections	<u>-</u>	<u>-</u>
Less: Disbursements To Governments & Nonprofits		
Not applicable	<u>-</u>	<u>-</u>
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>-</u>	<u>-</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-	-
Total Waivers During the Fiscal Period	-	-

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2023

Cash Basis Presentation	<u>First Six Month Period Ended 12/31/2022</u>	<u>Second Six Month Period Ended 6/30/2023</u>
Receipts From:		
<i>City Court of Sulphur, Criminal Court Costs/Fees</i>	\$ 66,132	\$ 116,304
<i>City Court of Sulphur, Civil Fees</i>	8,759	9,848
Subtotal Receipts	\$ 74,891	\$ 126,152
Ending Balance of Amounts Assessed but Not Received	\$ -	\$ -

OTHER INFORMATION

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Year Ended June 30, 2023

Agency Head Name: Brandon Dever

<u>Purpose</u>	<u>Amount</u>
Salary – On-behalf from Calcasieu Police Jury	\$ -
Salary – On-behalf from City of Sulphur	55,520
Benefits – Insurance – On-behalf from City of Sulphur	9,279
Benefits – Retirement – On-behalf from City of Sulphur	16,378
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Commissions – Garnishments and Seizures	125,806
Conference Travel	-
Continuing Professional Education Fees	-
Unvouchered Expenses	-
Special Meals	-

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*

December 14, 2023

Honorable Brandon Dever
Ward Four Marshal — City of Sulphur, Louisiana
Sulphur, LA

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, each major fund, and the aggregate remaining fund information of the Ward Four Marshal, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Ward Four Marshal's basic financial statements, and have issued our report thereon dated December 14, 2023.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ward Four Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Shagren, Cassidy; Shillory

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2023

1. Summary of Auditors' Results:

Type of auditors' opinion issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___yes x_no

Control deficiency(s) identified that are not considered to be material weakness(es)? ___yes x_none reported

Noncompliance material to financial statements noted? ___yes x_no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

N/A

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

Finding 2022-01: Budgetary Authority and Control

Current Status: This finding is considered resolved in 2023.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

November 3, 2023

Honorable Brandon Dever
Ward Four Marshal - City of Sulphur, Louisiana
Sulphur, Louisiana

We have performed the procedures included enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2022 through June 30, 2023. The Ward Four Marshal's management is responsible for those C/C areas identified in the SAUPs.

Ward Four Marshal has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

The Marshal's written policies and procedures manual addresses this area.

- ii. *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.

The Marshal's written policies and procedures manual addresses this area.

- iii. *Disbursements*, including processing, reviewing, and approving.

The Marshal's written policies and procedures manual addresses this area.

- iv. *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmations with outside

parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Marshal's written policies and procedures manual addresses this area.

- v. *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

The Marshal's written policies and procedures manual addresses this area.

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

The Marshal's written policies and procedures manual addresses this area.

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

The Marshal's written policies and procedures manual addresses this area.

- viii. *Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The Marshal's written policies and procedures manual addresses this area.

- ix. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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 documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Marshal's written policies and procedures manual addresses this area.

- x. *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Marshal's written policies and procedures manual addresses this area.

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Marshal's written policies and procedures manual addresses this area.

- xii. *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Marshal's written policies and procedures manual addresses this area.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The Marshal does not have a board.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on special revenue funds.

The Marshal does not have a board or minutes.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No exceptions were found as a result of this procedure.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of this procedure.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exception were found as a result of this procedure.

- ii. Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

The bank reconciliations tested did not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Management Response: Management will have someone who does not handle cash, post ledger, or issue checks document their review each bank reconciliation.

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were found as a result of this procedure.

4) Collections

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The listing was provided by management.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:

- i. Employees that are responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions were found as a result of this procedure.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made no the same day). Obtain supported documentation for each of the deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

The deposits tested were not made within one business day of receipt.

Management Response: Management will ensure that deposits are made within one business day of receipt.

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

No exceptions were found as a result of this procedure.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing was provided by management.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

At least two employees are not involved in initiating, approving and making a purchase.

Management Response: Management does not believe it is cost effective to employ adequate personnel to achieve appropriate segregation of duties.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions were found as a result of this procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions were found as a result of this procedure.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Disbursements tested included exceptions of #9 as noted above.

Management Response: The Marshal will segregate duties over processing disbursements as much as possible.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: if no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Not applicable. There were no non-payroll-related electronic disbursements in the fiscal year.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The listing was provided by management.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Not applicable. There were no travel or travel-related expense reimbursements during the fiscal period.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Not applicable. There were no travel or travel-related expense reimbursements during the fiscal period.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Not applicable. There were no travel or travel-related expense reimbursements during the fiscal period.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not applicable. There were no travel or travel-related expense reimbursements during the fiscal period.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Not applicable. There were no contracts initiated or renewed during the fiscal period.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

Not applicable. There were no contracts initiated or renewed during the fiscal period.

- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Not applicable. There were no contracts initiated or renewed during the fiscal period.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Not applicable. There were no contracts initiated or renewed during the fiscal period.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to the authorized salaries/pay rates in the personnel files.

Not applicable. The Ward Four Marshal has no employees/elected officials.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation sick, compensatory);

Not applicable. The Ward Four Marshal has no employees/elected officials.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Not applicable. The Ward Four Marshal has no employees/elected officials.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Not applicable. The Ward Four Marshal has no employees/elected officials.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Not applicable. The Ward Four Marshal has no employees/elected officials.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the entity policy.

Not applicable. The Ward Four Marshal has no employees/elected officials.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Not applicable. The Ward Four Marshal has no employees/elected officials.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Not applicable. The Ward Four Marshal has no employees/elected officials.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable. The Ward Four Marshal has no employees/elected officials.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable. The Ward Four Marshal has no employees/elected officials.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Marshal did not issue any debt during the fiscal period.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Marshal does not have any debt.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Marshal was not aware of any misappropriation of public funds or assets during the fiscal year.

- B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The Marshal has the required notice posted in a conspicuous place upon its premises but not on its website.

Management Response: Management will update the website to include the notice.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures.
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

No exceptions were found as a result of this procedure.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

No exceptions were found as a result of this procedure.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

No exceptions were found as a result of this procedure.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions were found as a result of this procedure.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable. The Ward Four Marshal has no employees/elected officials.

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The sexual harassment policy and complaint procedure was not included on the Ward Four Marshal's website.

Management Response: Management will update the website to include the sexual harassment policy and complaint procedure.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions were found as a result of this procedure.

- v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure.

We were engaged by Ward Four Marshal to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C 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.

We are required to be independent of Ward Four Marshal and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C 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 LLA as a public document.

Haggan, Cassidy; Shillery