

**MARSHAL – CITY COURT
OF LAFAYETTE, LOUISIANA**

FINANCIAL REPORT

YEAR ENDED OCTOBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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To the Marshal
City Court of Lafayette, Louisiana
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Marshal, City Court of Lafayette, Louisiana (Marshal), as of and for the year then ended October 31, 2019, and the related notes to the financial statements, which collectively comprise the Marshal's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Marshal as of October 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Marshal has omitted 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marshal's basic financial statements. The other supplementary information on pages 26 through 31 is presented for purposes of additional analysis and is not a required part of the financial statements.

The comparative statements and schedule on pages 26-27 and 30-31 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements are fairly stated in all material respects in relation to the financial statements as a whole. The prior year comparative information on these statements has been derived from the financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the financial statements as a whole.

The comparison schedules on pages 28 and 29 have not been subjected to the auditing procedures applied in the audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2020 on our consideration of the Marshal's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Marshal's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 29, 2020

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Net Position
October 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 156,467
Accounts receivable	39,797
Prepaid expenses	<u>48,503</u>
Total current assets	244,767
Noncurrent assets:	
Capital assets, net	<u>142,211</u>
Total assets	<u>386,978</u>
LIABILITIES	
Current liabilities:	
Accounts payable	32,177
Insurance payable	12,858
Capital lease payable	<u>31,524</u>
Total current liabilities	76,559
Noncurrent liabilities:	
Capital lease payable	<u>50,845</u>
Total liabilities	<u>127,404</u>
NET POSITION	
Net investment in capital assets	59,842
Restricted	3,652
Unrestricted	<u>196,080</u>
Total net position	<u>\$ 259,574</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Activities
For the Year Ended October 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 2,146,052	\$ 510,729	\$ 1,714,419	\$ 79,096
Interest on long-term debt	<u>6,271</u>	<u>-</u>	<u>-</u>	<u>(6,271)</u>
Total governmental activities	<u>\$ 2,152,323</u>	<u>\$ 510,729</u>	<u>\$ 1,714,419</u>	<u>72,825</u>
				Change in net position 72,825
				Net position - November 1, 2018 <u>186,749</u>
				Net position - October 31, 2019 <u>\$ 259,574</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Balance Sheet - Governmental Funds

October 31, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and interest-bearing deposits	\$ 152,815	\$ 3,652	\$ 156,467
Receivables -			
Accounts	39,797	-	39,797
Prepaid expenses	<u>48,503</u>	<u>-</u>	<u>48,503</u>
Total assets	<u>\$ 241,115</u>	<u>\$ 3,652</u>	<u>\$ 244,767</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 32,177	\$ -	\$ 32,177
Insurance payable	<u>12,858</u>	<u>-</u>	<u>12,858</u>
Total liabilities	<u>45,035</u>	<u>-</u>	<u>45,035</u>
Fund balances:			
Nonspendable (prepaid expenses)	48,503	-	48,503
Restricted	-	3,652	3,652
Unassigned	<u>147,577</u>	<u>-</u>	<u>147,577</u>
Total fund balances	<u>196,080</u>	<u>3,652</u>	<u>199,732</u>
Total liabilities and fund balances	<u>\$ 241,115</u>	<u>\$ 3,652</u>	<u>\$ 244,767</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
October 31, 2019

Total fund balances for governmental funds at October 31, 2019		\$ 199,732
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:		
Equipment, net of \$512,874 accumulated depreciation	\$ 134,037	
Furniture and fixtures, net of \$92,683 accumulated depreciation	<u>8,174</u>	142,211
Long-term liabilities at October 31, 2019:		
Capital lease payable		<u>(82,369)</u>
Net position at October 31, 2019		<u>\$ 259,574</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended October 31, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Fees charges and commissions for services -			
Bond forfeitures	\$ 9,313	\$ -	\$ 9,313
Fees and commissions	500,811	604	501,415
Intergovernmental -			
Federal grants	6,845	-	6,845
On-behalf payments	1,707,575	-	1,707,575
Total revenues	<u>2,224,544</u>	<u>604</u>	<u>2,225,148</u>
Expenditures:			
Current -			
General government	2,092,897	495	2,093,392
Debt service	37,935	-	37,935
Total expenditures	<u>2,130,832</u>	<u>495</u>	<u>2,131,327</u>
Net change in fund balances	93,712	109	93,821
Fund balances, beginning	<u>102,368</u>	<u>3,543</u>	<u>105,911</u>
Fund balances, ending	<u>\$ 196,080</u>	<u>\$ 3,652</u>	<u>\$ 199,732</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended October 31, 2019

Total net changes in fund balances for the year ended October 31, 2019 per statement of revenues, expenditures and changes in fund balances	\$ 93,821
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.	
Depreciation expense for the year ended October 31, 2019	(52,660)
Capital lease payments considered as an expenditure on the statement of revenues, expenditures, and changes in fund balances whereas the payment reduces the balance of lease payable on the statement of net position	<u>31,664</u>
Total changes in net position for the year ended October 31, 2019 per statement of activities	<u>\$ 72,825</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements

INTRODUCTION

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Marshal – City Court of Lafayette, Louisiana (Marshal) is an elected official who serves six-year terms. The Marshal is charged with the responsibility of conducting policing and security functions for the City Court of Lafayette, Louisiana. Operations of the Marshal’s office are funded by Lafayette City-Parish Consolidated Government (LCG), the State of Louisiana, and court costs charged by the City Court of Lafayette, Louisiana attributable to the performance of the Marshal’s duties.

These financial statements only include funds, activities, et cetera, that are controlled by the Marshal as an independently elected official.

B. Basis of Presentation

The accompanying basic financial statements of the 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.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Marshal as a whole. These statements include all the financial activities of the Marshal. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

The statement of activities presents a comparison between direct expenses and program revenues for the Marshal’s governmental 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 bond forfeitures, drug seizures, equitable sharing receipts, and fees and commissions. Revenues that are not classified as program revenues are presented as general revenues.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid the Marshal by segregating transactions related to certain Marshal's 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 in 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 fund is at least 10 percent of the corresponding total for all governmental funds. For reporting purposes, the General Fund of the Marshal is considered to be a major fund. The funds of the Marshal are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the Marshal. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is financed through court costs and commissions as well as bond forfeitures earned by the Marshal. Resources of the fund are used to supplement the cost of operating the Marshal's office.

Special Revenue Funds

Drug Enforcement Fund -

The Drug Enforcement Fund is used to account for the Marshal's revenues which are legally restricted for use in drug enforcement and education. This fund is financed through a sixty percent (60%) allocation of monies seized in drug-related arrests.

Equitable Sharing Fund -

The Equitable Sharing Fund is used to account for the Marshal's revenues which are legally restricted for law enforcement expenditures. This fund is financed through a Federal Equitable Sharing Agreement with the United States Departments of Justice and the Treasury sharing forty percent (40%) of available amounts with participating local law enforcement agencies.

Fiduciary (Agency) Funds -

Garnishment Fund

The Garnishment Fund is used to account for assets held by the Marshal as agent. This fund is used for the collection of court-ordered garnishment judgments. The Marshal charges an administrative fee and remits all other funds to the respective creditors. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. At October 31, 2019 there is no balance in this fund.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restitution Fund

The Restitution Fund is used to account for assets held by the Marshal as agent. This fund is used for the collection of court-ordered restitutions. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. At October 31, 2019 there is no balance in this fund.

Since by definition, fiduciary assets are held for the benefit of a third party and cannot be used to address activities or obligations for the Marshal, they are not incorporated into the government-wide statements. Since there is no book balance in the fiduciary funds as of October 31, 2019, the Marshal does not present a fiduciary funds statement of assets and liabilities.

C. 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.

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The agency funds are prepared on the cash basis of accounting which approximates modified accrual basis of accounting.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after the year end. Expenditures are recognized when the related liability is incurred.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

Cash and interest-bearing deposits are stated at cost, which approximates market.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not received. Amounts due to the Marshal for courts costs, commissions, and bond forfeitures earned from providing services to the City Court of Lafayette, Louisiana are included in accounts receivable, which amounted to \$39,797 as of October 31, 2019.

Prepaid expenditures

Payments made for insurance and other expenditures that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenditures.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Marshal as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment and vehicles	5-10
Furniture and fixtures	10

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred inflows or outflows as of October 31, 2019.

Equity Classifications

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 reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of “net investment in capital assets” or “restricted”

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the governmental fund financial statements, fund equity is classified as fund balances and are classified as follows:

- a. Nonspendable – Includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact. All amounts reported as nonspendable as of October 31, 2019, by the Marshal are nonspendable in form. The Marshal has not reported any amounts that are legally or contractually required to be maintained intact.
- b. Restricted – Includes amounts restricted by external sources or by constitutional provisions or enabling legislation.
- c. Committed – Includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Marshal who has the highest level of decision-making authority. Commitments may be modified or rescinded only through actions of the Marshal.
- d. Assigned – Includes amounts that the Marshal intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Marshal or his designee may assign amounts to this classification.
- e. Unassigned – Includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

Use of restricted resources

When an expenditure is incurred that can be paid using either restricted or unrestricted resources (fund balances), the Marshal considers to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Marshal considers to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

E. Revenues, Expenditures, and Expenses

Operating Revenues

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Marshal is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Marshal.

F. Budgets and Budgetary Accounting

The Marshal is required to adopt an annual budget for the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (“GAAP”) of the United States of America.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Marshal may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Marshal may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. As of October 31, 2019, the Marshal had cash and interest-bearing deposits (book balances) totaling \$156,467 attributable to governmental activities.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Marshal’s deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. 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 bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. As of October 31, 2019, bank balances in the amount of \$272,098 were as follows:

Bank balances	<u>\$ 272,098</u>
Federal deposit insurance	250,000
Pledged securities	<u>22,098</u>
Total	<u>\$ 272,098</u>

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset activity for the year ended October 31, 2019 was as follows:

	<u>Balance</u> <u>11/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>10/31/2019</u>
Governmental activities:				
Capital assets being depreciated				
Equipment and vehicles	\$ 659,421	\$ -	\$ 12,510	\$ 646,911
Furniture and fixtures	<u>100,857</u>	<u>-</u>	<u>-</u>	<u>100,857</u>
Total capital assets being depreciated	<u>760,278</u>	<u>-</u>	<u>12,510</u>	<u>747,768</u>
Less: accumulated depreciation				
Equipment and vehicles	477,074	48,310	12,510	512,874
Furniture and fixtures	<u>88,333</u>	<u>4,350</u>	<u>-</u>	<u>92,683</u>
Total accumulated depreciation	<u>565,407</u>	<u>52,660</u>	<u>12,510</u>	<u>605,557</u>
Governmental activities, capital assets, net	<u>\$ 194,871</u>	<u>\$ (52,660)</u>	<u>\$ -</u>	<u>\$ 142,211</u>

Depreciation expense in the amount of \$52,660 was charged to general government.

(4) Capital Lease

The following is a summary of capital lease transactions of the Marshal for the year ended October 31, 2019:

Capital Lease, October 31, 2018	\$ 114,033
Additions	-
Reductions	<u>(31,664)</u>
Capital Lease, October 31, 2019	<u>\$ 82,369</u>

The Marshal is obligated under the following lease agreements as of October 31, 2019:

Ally Financial \$23,500 lease-purchase agreement, maturing July 2020, 36 monthly payments of \$715, including interest at 6.34%, secured by a vehicle having a carrying value of \$12,925, which is included in the equipment and vehicles capital asset class.

BancorpSouth Equipment Finance \$103,887 lease-purchase agreement, maturing September 2022, 32 monthly payments of \$2,446, including interest at 6.14%, secured by vehicles having a carrying value of \$79,647, which is included in the equipment and vehicles capital asset class.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Scheduled maturities of the capital leases are as follows:

Year Ending October 31,	Principal Payments	Interest Payments	Total
2020	\$ 31,524	\$ 4,266	\$ 35,790
2021	26,853	2,504	29,357
2022	<u>23,992</u>	<u>808</u>	<u>24,800</u>
Total	<u>\$ 82,369</u>	<u>\$ 7,578</u>	<u>\$ 89,947</u>

(5) Risk Management

The Marshal is exposed to risks of loss in the areas of professional liability, auto liability, general liability, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. LCG obtains and maintains insurance coverage for the Marshal and the Marshal is responsible for paying one-half of the cost. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(6) Litigation

As of October 31, 2019, the Marshal's office is not involved in any litigation.

(7) Expenditures of the Marshal's Office Paid by LCG

The Marshal's administrative office is located in a building owned by LCG. The cost of maintaining and operating this building, as required by statute, is paid by LCG. These expenditures are not included in the accompanying financial statements.

Payroll and benefits for the full-time employees of the Marshal's office are paid by LCG and are not reimbursed by the Marshal's office. There are no liabilities related to payroll, benefits and postemployment benefits attributable to the Marshal's office. Additionally, one-half of the Marshal's insurance expense is paid by LCG.

(8) On-behalf Payments for Fringe Benefits and Salaries

GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, requires the Marshal to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana and by the parish governments to certain employees of the Marshal's office.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Supplemental salary payments are made by the state and parish governments directly to the Marshal's employees. The Marshal's office is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments. On-behalf payments recorded as revenue and expenditures in the 2019 financial statements are as follows:

General Fund:	
State of Louisiana	\$ 121,316
Lafayette City-Parish Consolidated Government	<u>1,586,259</u>
Total on-behalf payments	<u>\$ 1,707,575</u>

(9) Employee Retirement Systems

Substantially all employees of the Marshal's office participate in one of two retirement systems as follows:

Municipal Employees' Retirement System (MERS) is a cost-sharing defined benefit plan which provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries. The employees participate in Plan A. The separately issued plan report may be accessed on their website at <http://www.mersla.com/>.

Parochial Employees' Retirement System (PERS) is a cost-sharing defined benefit plan which provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries. The employees participate in Plan A. The separately issued plan report may be accessed on the website at <http://www.persla.com/>.

The Marshal's share of the costs of each of these plans is paid by LCG, and therefore, the pension liabilities, deferred outflows of resources and deferred inflows of resources related to these plans are included in LCG's financial statements.

(10) Changes in Agency Fund Balances

A summary of changes in agency fund balances as of October 31, 2019 is as follows:

	Garnishment Fund	Restitution Fund	Total
Balances, October 31, 2018	\$ -	\$ -	\$ -
Additions	1,428,170	33,776	1,461,946
Reductions	<u>(1,428,170)</u>	<u>(33,776)</u>	<u>(1,461,946)</u>
Balances, October 31, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Restricted Fund Balance

As of October 31, 2019, fund balance of the Drug Enforcement Fund in the amount of \$3,235 was restricted for drug enforcement and education expenditures. As of October 31, 2019, fund balance of the Equitable Sharing Fund in the amount of \$417 was restricted for law enforcement expenditures.

(12) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to C. Michael Hill, Interim City Marshal, for the year ended October 31, 2019 follows:

<u>Purpose</u>	<u>Amount</u>
On-behalf payments:	
Lafayette Consolidated Government -	
Salary	\$ 87,637
Benefits - insurance and retirement	8,959
State of Louisiana -	
Supplemental pay	6,000
Reimbursements	40
Travel	780
Total	<u>\$ 103,416</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

General Fund
 Budgetary Comparison Schedule
 For the Year Ended October 31, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Fees charges and commissions for services -				
Bond forfeitures	\$ 10,000	\$ 10,062	\$ 9,313	\$ (749)
Fees and commissions	435,000	463,268	500,811	37,543
Intergovernmental -				
Federal grants	12,000	6,169	6,845	676
On-behalf payments	1,690,000	1,690,000	1,707,575	17,575
Total revenues	<u>2,147,000</u>	<u>2,169,499</u>	<u>2,224,544</u>	<u>55,045</u>
Expenditures:				
Current -				
General government	2,148,000	2,139,604	2,092,897	46,707
Debt service	31,200	37,935	37,935	-
Total expenditures	<u>2,179,200</u>	<u>2,177,539</u>	<u>2,130,832</u>	<u>46,707</u>
Net change in fund balance	(32,200)	(8,040)	93,712	101,752
Fund balance, beginning	<u>102,368</u>	<u>102,368</u>	<u>102,368</u>	<u>-</u>
Fund balance, ending	<u>\$ 70,168</u>	<u>\$ 94,328</u>	<u>\$ 196,080</u>	<u>\$ 101,752</u>

**OTHER SUPPLEMENTARY
INFORMATION**

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Comparative Statement of Net Position
For the Years Ended October 31, 2019 and 2018

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 156,467	\$ 86,607
Accounts receivable	39,797	32,734
Prepaid expenses	<u>48,503</u>	<u>43,370</u>
Total current assets	244,767	162,711
Noncurrent assets:		
Capital assets, net	<u>142,211</u>	<u>194,871</u>
Total assets	<u>386,978</u>	<u>357,582</u>
LIABILITIES		
Current liabilities:		
Accounts payable	32,177	56,800
Insurance payable	12,858	-
Capital lease payable	<u>31,524</u>	<u>31,664</u>
Total current liabilities	76,559	88,464
Noncurrent liabilities:		
Capital lease payable	<u>50,845</u>	<u>82,369</u>
Total liabilities	<u>127,404</u>	<u>170,833</u>
NET POSITION		
Net investment in capital assets	59,842	80,838
Restricted	3,652	3,543
Unrestricted	<u>196,080</u>	<u>102,368</u>
Total net position	<u>\$ 259,574</u>	<u>\$ 186,749</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Comparative Balance Sheet - General Fund
October 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and interest-bearing deposits	\$ 152,815	\$ 83,064
Receivables -		
Accounts	39,797	32,734
Prepaid expenses	<u>48,503</u>	<u>43,370</u>
Total assets	<u>\$ 241,115</u>	<u>\$ 159,168</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 32,177	\$ 56,800
Insurance payable	<u>12,858</u>	<u>-</u>
Total liabilities	<u>45,035</u>	<u>56,800</u>
Fund balance:		
Nonspendable (prepaid expenses)	48,503	43,370
Unassigned	<u>147,577</u>	<u>58,998</u>
Total fund balance	<u>196,080</u>	<u>102,368</u>
Total liabilities and fund balance	<u>\$ 241,115</u>	<u>\$ 159,168</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Budgetary Comparison Schedule - General Fund

For the Year Ended October 31, 2019

With Comparative Actual Balances for the Year Ended October 31, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budget		Actual		
	Original	Final			
Revenues:					
Fees, charges and commissions for services -					
Bond forfeitures	\$ 10,000	\$ 10,062	\$ 9,313	\$ (749)	\$ 11,688
Fees and commissions	435,000	463,268	500,811	37,543	439,758
Intergovernmental -					
Federal grants	12,000	6,169	6,845	676	12,095
On-behalf payments	1,690,000	1,690,000	1,707,575	17,575	1,689,695
Miscellaneous	-	-	-	-	960
Total revenues	<u>2,147,000</u>	<u>2,169,499</u>	<u>2,224,544</u>	<u>55,045</u>	<u>2,154,196</u>
Expenditures:					
Current -					
General government	2,148,000	2,139,604	2,092,897	46,707	2,198,817
Capital outlay	-	-	-	-	112,357
Debt service	<u>31,200</u>	<u>37,935</u>	<u>37,935</u>	<u>-</u>	<u>21,782</u>
Total expenditures	<u>2,179,200</u>	<u>2,177,539</u>	<u>2,130,832</u>	<u>46,707</u>	<u>2,332,956</u>
Excess (deficiency) of revenues over expenditures	(32,200)	(8,040)	93,712	101,752	(178,760)
Other financing sources:					
Proceeds from capital lease	-	-	-	-	103,887
Net change in fund balance	(32,200)	(8,040)	93,712	101,752	(74,873)
Fund balance, beginning	<u>102,368</u>	<u>102,368</u>	<u>102,368</u>	<u>-</u>	<u>177,241</u>
Fund balance, ending	<u>\$ 70,168</u>	<u>\$ 94,328</u>	<u>\$ 196,080</u>	<u>\$ 101,752</u>	<u>\$ 102,368</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Budgetary Comparison Schedule - Expenditures - General Fund
 For the Year Ended October 31, 2019
 With Comparative Actual Balances for the Year Ended October 31, 2018

	2019				2018 Actual
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Current:					
General government -					
Contract labor	\$ 115,000	\$ 86,330	\$ 95,080	\$ (8,750)	\$ 110,058
On-behalf salaries and benefits	1,690,000	1,690,000	1,707,575	(17,575)	1,689,695
Accounting and professional - audit	25,000	25,000	23,040	1,960	21,425
Accounting and professional - other	-	-	-	-	3,005
Advertising	10,000	716	656	60	10,621
Badges	500	-	-	-	203
Belts and holsters	500	371	241	130	698
Bullet proof vests	3,500	-	-	-	1,434
Clothing allowance	14,750	17,080	13,800	3,280	14,750
Computer expense	12,000	8,139	10,321	(2,182)	12,342
Dues and subscriptions	2,500	1,980	3,290	(1,310)	1,986
Equipment	7,500	8,397	8,542	(145)	4,862
Equipment maintenance	3,000	1,216	753	463	4,321
Insurance	56,000	71,204	48,739	22,465	57,346
K9 expenses	4,000	8,012	7,546	466	3,768
Legal	20,000	11,565	10,601	964	64,373
Medical	7,000	5,174	5,068	106	6,271
Office expense	28,000	19,889	22,551	(2,662)	26,813
Postage	4,000	3,087	2,830	257	3,131
Printing and binding	4,000	3,780	3,714	66	2,141
Prisoner transportation	1,250	854	783	71	850
Axon contract	30,000	29,004	30,912	(1,908)	25,460
Telephone	67,000	53,091	53,068	23	65,942
Travel and training	10,000	5,563	5,170	393	9,333
Transportation	20,000	83,184	32,770	50,414	37,016
Uniforms	5,000	2,660	2,814	(154)	4,704
Weapons and ammunition	7,500	3,308	3,033	275	16,269
Total general government	2,148,000	2,139,604	2,092,897	46,707	2,198,817
Capital outlay	-	-	-	-	112,357
Debt service	31,200	37,935	37,935	-	21,782
Total expenditures	<u>\$2,179,200</u>	<u>\$2,177,539</u>	<u>\$2,130,832</u>	<u>\$ 46,707</u>	<u>\$2,332,956</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Balance Sheet - Nonmajor Governmental Funds

October 31, 2019

	Drug Enforcement Fund	Equitable Sharing Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and interest-bearing deposits	<u>\$ 3,235</u>	<u>\$ 417</u>	<u>\$ 3,652</u>
FUND BALANCES			
Fund balances:			
Restricted	<u>\$ 3,235</u>	<u>\$ 417</u>	<u>\$ 3,652</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Nonmajor Governmental Funds
 For the Year Ended October 31, 2019
 With Comparative Actual Balances for the Year Ended October 31, 2018

	2019			2018
	Drug Enforcement Fund	Equitable Sharing Fund	Total Nonmajor Governmental Funds	
Revenues:				
Fees, charges and commissions for services -				
Fees and commissions	\$ 604	\$ -	\$ 604	\$ -
Expenditures:				
Current -				
General government	495	-	495	-
Net change in fund balances	109	-	109	-
Fund balances, beginning	3,126	417	3,543	3,543
Fund balances, ending	\$ 3,235	\$ 417	\$ 3,652	\$ 3,543

**INTERNAL CONTROL, COMPLIANCE,
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Marshal
City Court of Lafayette, Louisiana
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Marshal – City Court of Lafayette, Louisiana (Marshal) as of and for the year ended October 31, 2019, and the related notes to the financial statements, which collectively comprise the Marshal's basic financial statements and have issued our report thereon dated June 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year findings and management's corrective action plan as items 2019-001 and 2019-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2019-003 and 2019-004.

Marshal's Response to Findings

The Marshal's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Marshal's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

June 29, 2020
Lafayette, Louisiana

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management’s Corrective Action Plan

Part I. Current Year Findings and Management’s Corrective Action Plan

A. Internal Control Findings-

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2014

CONDITION: The Marshal did not have adequate segregation of functions within the accounting system.

CRITERIA: The Marshal should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the Marshal, there are a small number of available employees.

EFFECT: The Marshal has employees that are performing more than one related function.

RECOMMENDATION: The Marshal should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT’S CORRECTIVE ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

RECOMMENDATION: The Marshal should evaluate the cost-benefit of establishing internal controls over the preparation of the financial statements and related notes in accordance with GAAP.

MANAGEMENT’S CORRECTION ACTION PLAN: The Marshal has evaluated the cost-benefit and will outsource this task. The financial statements and related notes will be carefully reviewed prior to accepting responsibility for their contents and presentation.

2019-002 Employee Training

Fiscal year finding initially occurred: 2019

CONDITION: The Marshal only had one employee trained and available to deposit funds, disburse funds, and reconcile bank statements in order to ensure that these essential functions are performed timely.

CRITERIA: The Marshal should have a control policy requiring that more than one employee is trained to perform essential functions.

CAUSE: The Marshal only had one employee trained and available to perform essential functions.

EFFECT: The Marshal had essential functions that were not being performed timely.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management’s Corrective Action Plan (Continued)

RECOMMENDATION: The Marshal should have more than one employee trained and available to deposit funds, disburse funds, and reconcile bank statements in order to ensure that these essential functions are performed timely.

MANAGEMENT’S CORRECTIVE ACTION PLAN: The Marshal will have more than one employee trained to perform essential functions.

B. Compliance Findings-

2019-003 Unclaimed Property

Fiscal year finding initially occurred: 2019

CONDITION: The Marshal did not report unclaimed property to the state in accordance with LA R.S. 9:151. There are checks that have been outstanding longer than the allowed dormancy period.

CRITERIA: Louisiana law requires unclaimed property to be reported and remitted to the state.

CAUSE: The Marshal did not properly monitor unclaimed property.

EFFECT: The Marshal did not properly report or remit unclaimed property to the state.

RECOMMENDATION: The Marshal should complete the required reporting and remit the unclaimed property to the state.

MANAGEMENT’S CORRECTION ACTION PLAN: As of June 29, 2020, the Marshal reported and remitted unclaimed property to the state.

2019-004 Garnishment Funds

Fiscal year finding initially occurred: 2019

CONDITION: Garnishment funds are not being deposited nor disbursed in a timely manner in accordance with LA R.S. 13:3921; which results in additional interest and fees being incurred by the garnishees.

CRITERIA: Louisiana law requires garnishment funds to be deposited and disbursed in a timely manner.

CAUSE: The Marshal did not deposit and disburse garnishment funds timely due to some garnishee’s sending checks prior to the time that they were required to do so, resulting in us receiving checks which we cannot legally deposit.

EFFECT: The Marshal did not deposit and disburse garnishment funds which resulted in additional interest and fees being incurred by garnishees.

RECOMMENDATION: The Marshal should deposit and disburse garnishment funds timely.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

MANAGEMENT'S CORRECTION ACTION PLAN: The Marshal will deposit and disburse garnishment funds timely.

Part II. Prior Year Findings

A. Internal Control Findings-

2018-001 Staff Applying GAAP

Fiscal year finding initially occurred: 2007

CONDITION: The Marshal's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

RECOMMENDATION: The Marshal should evaluate the cost-benefit of establishing internal controls over the preparation of the financial statements and related notes in accordance with GAAP.

CURRENT STATUS: Resolved.

2018-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2014

CONDITION: The Marshal did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The Marshal should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2019-001.

2018-003 Credit Card Policy

Fiscal year finding initially occurred: 2015

CONDITION: The Marshal does not have a credit card policy.

RECOMMENDATION: In order to obtain efficient and effective controls over the purchasing process, the Marshal should establish a credit card policy which limits the use of credit cards.

CURRENT STATUS: Resolved.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

B. Compliance Findings-

2018-004 Garnishment Commissions

Fiscal year finding initially occurred: 2018

CONDITION: The City Marshal Brian Pope received a six percent commission for garnishment collections established by La. R.S. 13:5807 in the form of direct compensation. Attorney General Opinion 18-0011 issued on January 29, 2018 specifically prohibits the Lafayette City Marshal from receiving these fees. The Marshal continued receiving these fees until he was suspended from office on October 3, 2018. From February 1, 2018 through October 1, 2018, garnishment administrative fees in the amount of \$29,130 were paid directly to the Marshal. Felony charges are pending relative to this matter.

RECOMMENDATION: The Marshal should not receive the six percent commission for garnishment collections as direct compensation.

CURRENT STATUS: Resolved.

2018-005 Civil Fees

Fiscal year finding initially occurred: 2018

CONDITION: The City Marshal Brian Pope received civil fees from the City Court of Lafayette established by La. R.S. 13:5807 as direct compensation. Attorney General Opinion 18-0011 issued on January 29, 2018 specifically prohibits the Lafayette City Marshal from receiving these fees. As of February 1, 2018, the Marshal was notified that the civil fees would be made payable to the Lafayette City Marshal. From February 1, 2018 through October 1, 2018, civil fees in the amount of \$66,733 were paid to the Marshal by the Lafayette City Court. However, none of these fees were deposited into the Marshal's office account. Felony charges are pending relative to this matter.

RECOMMENDATION: The Marshal should deposit the civil fees into the Marshal's office account. These fees should not be direct compensation to the Marshal.

CURRENT STATUS: Resolved.

2018-006 Travel

Fiscal year finding initially occurred: 2018

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year Findings and Management's Corrective Action Plan (Continued)

CONDITION: The City Marshal Brian Pope (suspended on October 3, 2018) paid for lodging and registration to attend two conferences with the Marshal's office credit card between March 2018 and June 2018. The lodging charged to the office credit card was for condos that included numerous bedrooms and were more expensive than the conference hotel. Additionally, one of the condos was rented for additional days outside of the conference dates. The Marshal then requested reimbursement from Lafayette Consolidated Government for the business portion of the lodging (days of actual conference and amount that would have been incurred if the conference hotel had been booked) and the registration fee for one of the conferences. The Marshal did not reimburse the Marshal's office for the \$3,248 he was reimbursed. The Louisiana Legislative Auditor and the District Attorney have been notified. Felony charges are pending relative to this matter. Also, the Marshal did not reimburse the Marshal's office for the \$4,053 paid for the personal portion of the lodging. On April 3, 2019, Brian Pope reimbursed the Marshal's office \$7,301.

RECOMMENDATION: The Marshal should ensure that personal expenses are not paid by the Marshal's office. Additionally, the Marshal should meet with Lafayette Consolidated Government staff to implement a policy to ensure that expenses paid by the Marshal's office will be reimbursed to the office and not to individual employees.

CURRENT STATUS: Resolved.

**MARSHAL- CITY COURT
OF LAFAYETTE, LOUISIANA**
Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended October 31, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Marshal
City of Lafayette, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the Marshal, City Court of Lafayette, Louisiana (Marshal) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2018 through October 31, 2019. Management of the Marshal is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the Marshal's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the Marshal's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **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 confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-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).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Marshal's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (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.

Board or Finance Committee

(The Marshal does not have a Board or Finance Committee, and therefore, this procedure is not applicable.)

- 2. 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:
 - a) 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.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) 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.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the Marshal's main operating account. We selected the Marshal's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) Bank reconciliations included evidence that a member of management/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
- c) 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.

Collections

- 4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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 on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts are sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We observed 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).
 - e) We traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.
 - d) 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.
10. For each location selected under #8 above, we obtained the Marshal's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed that the disbursement matched the related original invoice/billing statement.
 - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

(The following procedures were not performed since there were no exceptions in the prior year.)

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
12. 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:
 - a) Observe that 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 excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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).

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

14. We obtained 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. We randomly selected 5 reimbursements, obtained 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:
- a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. 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. *Alternately, 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:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provide for such an amendment.
 - d) 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 agree to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period was reflected in the Marshal's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums had been paid, and associated forms had been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the Marshal's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. 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.

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

23. 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 Marshal reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Marshal is domiciled.

24. Observe that the Marshal 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.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Bank Reconciliations

1. Two of the five bank reconciliations tested were not prepared within two months of the statement closing date.

Management's response: Because of a shortage of personnel, there were still some reconciliations which were not timely performed. This has now been rectified.

2. All five bank reconciliations tested did not have evidence of management's review.

Management's response: All bank reconciliations are now reviewed by a member of management.

3. For two of the five bank reconciliations tested, there was no documentation that management researched reconciling items that have been outstanding for more than twelve months from the statement closing date.

Management's response: A policy has been implemented requiring the research of reconciling items which have been outstanding for more than 12 months from the closing date of the statement. A policy is being implemented for the proper transfer to the state treasurer of unclaimed funds in accordance with state law.

Cash Collections

4. Lafayette City Marshal does not have proper segregation of duties regarding cash collections.

Management's response: These duties have been segregated.

5. Three of the nine deposits tested were not made timely (within one business day or one week, if deposit is less than \$100). Receipt dates were not documented on two of the nine deposits, therefore, timeliness of deposits was not able to be determined.

Management's response: A policy is being implemented to ensure that deposits are made daily.

Non - Payroll Disbursements

6. The employee responsible for processing payments is not prohibited from adding vendors to the disbursement system and no other employee is responsible for periodically reviewing changes to the vendor files.

Management's response: Management will ensure that the employee responsible for processing payments is prohibited from adding vendors to the disbursement system or that another employee will be responsible for periodically reviewing changes to the vendor files.

Travel and Travel-Related Expense Reimbursements

7. The entity's policy does not follow GSA rates for travel and expense reimbursement; therefore, per diem reimbursements do not agree to those rates.

Management's response: The Marshal has a very detailed, conservative, and strictly enforced travel and expense reimbursement policy. Travel requests and expense report are reviewed thoroughly before any payments are made. The Marshal uses meal per diem rates established by a national standardized index based on location of travel. Lodging is based on the actual cost of the standard room with no upgrades. Mileage rates are based on the mileage rate promulgated by the Internal Revenue Service. Airfare is based on the actual cost of tourist class or standard airfare with no upgrades. All expenses incurred must have a defined business purpose and must be verifiable and quantifiable by a detailed receipt.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Marshal, City Court of Lafayette, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 29, 2020