

**MARSHAL'S OFFICE – CITY COURT OF HAMMOND
HAMMOND, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

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Independent Auditor's Report

The Honorable Pat Farris
Marshal, City Court of Hammond
Hammond, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Marshal's Office, City Court of Hammond, Louisiana, component unit of the City of Hammond, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Marshal's Office, City Court of Hammond, Louisiana'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, the general fund, and the aggregate remaining fund information of the Marshal's Office, City Court of Hammond, Louisiana, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Marshal's Office, City Court of Hammond, Louisiana, 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, and for 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 Marshal's Office, City Court of Hammond, Louisiana'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.

Auditor's 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 from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but 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 judgment 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 Marshal's Office, City Court of Hammond, Louisiana'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marshal's Office, City Court of Hammond, Louisiana'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 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; the schedule of the Marshal's proportionate share of the net pension liability; and the schedule of Marshal's contributions on pages 27 to 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

Marshal's Office, City Court of Hammond
Hammond, Louisiana

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.

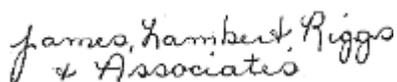
Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marshal's Office, City Court of Hammond, Hammond, Louisiana's basic financial statements. The schedule of compensation, benefits, and other payments to agency head; the justice system funding reporting schedule – receiving entity; and the justice system funding reporting schedule – collecting / disbursing entity are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head; the justice system funding reporting schedule – receiving entity; and the justice system funding reporting schedule – collecting / disbursing entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, on our consideration of the Marshal's Office, City Court of Hammond's, Hammond, Louisiana's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Marshal's Office, City Court of Hammond's 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 Office, City Court of Hammond's internal control over financial reporting and compliance.



James Lambert Riggs & Associates, Inc.

Hammond, Louisiana
November 29, 2022

Basic Financial Statements

Marshal's Office – City Court of Hammond
Hammond, Louisiana
Statement of Net Position
June 30, 2022

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 370,977
Investments	214,296
Due from Other Governments	13,469
Due from Agency Fund	13,621
Prepaid Insurance	20,004
Capital Assets, Net of Accumulated Depreciation	<u>60,833</u>
Total Assets	<u>\$ 693,200</u>
Deferred Outflows of Resources	
Changes in Assumptions	\$ 17,169
Changes in Experience	169
Changes in Proportion	35,593
Contributions Subsequent to the Measurement Date	<u>116,946</u>
Total Deferred Outflows of Resources	<u>\$ 169,877</u>
Liabilities	
Accounts Payable	\$ 8,004
Accrued Liabilities	-
Salaries and Benefits Payable	14,617
Non-Current Liabilities:	
Accrued Compensated Absences	6,516
Capital Lease Obligations	44,145
Net Pension Liability	<u>469,815</u>
Total Liabilities	<u>\$ 543,097</u>
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 5,372
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	132,370
Changes in Proportion and Differences Between Marshal Contributions and Proportionate Share of Contributions	<u>5,805</u>
Total Deferred Inflows of Resources	<u>\$ 143,547</u>
Net Position	
Net Investment in Capital Assets	\$ 16,688
Unrestricted	<u>159,745</u>
Total Net Position	<u>\$ 176,433</u>

The accompanying notes are an integral part of this statement.

Marshal's Office – City Court of Hammond
Hammond, Louisiana
Statement of Activities
For the Year Ended June 30, 2022

Exhibit B

	<u>Governmental Activities</u>
Expenses:	
Marshal's General Operations:	
Salaries & Related Benefits	\$ 642,907
Automobile	18,265
Computer Maintenance	5,574
Insurance	55,921
Office Supplies and Telephone	11,266
Legal and Accounting	15,656
Other Expenditures	8,884
Equipment and Training Expenses	30,254
Amortization Expense	7,590
Depreciation Expense	<u>10,957</u>
Total Expenses	807,274
 Program Revenues:	
Charges for Services	<u>283,174</u>
Total Program Revenues	<u>283,174</u>
 Net Program (Expense)	 (524,100)
 General Revenues:	
City of Hammond Appropriations	400,000
Intergovernmental Revenues	121,850
On-Behalf Payments from State	33,000
Miscellaneous Income	9,625
Proceeds from Sale of Capital Assets	4,580
Pension Contributions from Non-Employer Contributing Entities	<u>12,604</u>
Total General Revenues	<u>581,659</u>
 Change in Net Position	 57,559
 Net Position - Beginning of the Year	 <u>118,874</u>
Net Position - End of the Year	<u>\$ 176,433</u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Exhibit C

Governmental Fund Balance Sheet
June 30, 2022

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 370,977
Investments	214,296
Due from Other Governments	13,469
Due from Agency Fund	<u>13,621</u>
 Total Assets	 \$ <u><u>612,363</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 8,004
Accrued Liabilities	-
Salaries and Benefits Payable	<u>14,617</u>
Total Liabilities	22,621
Fund Balance:	
Unassigned	<u>589,742</u>
Total Fund Balance	<u>589,742</u>
 Total Liabilities and Fund Balance	 \$ <u><u>612,363</u></u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Exhibit D

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended June 30, 2022

Total Fund Balances, Governmental Funds (Exhibit C)	\$	589,742
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental Capital Assets, Net of Depreciation		60,833
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Prepaid insurance is not accrued and is therefore not reported in the governmental funds.

Prepaid Insurance		20,004
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Accrued Compensated Absences		(6,516)
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Capital Lease Obligations		(44,145)
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In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Liability		(469,815)
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Total Deferred Outflows of Resources		169,877
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Total Deferred Inflows of Resources		(143,547)
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Net Position of Governmental Activities (Exhibit A)	\$	<u>176,433</u>
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The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2022

	<u>General Fund</u>
Revenues:	
Criminal / Civil Court Fees	\$ 280,874
Marshal's Bond Fees	2,300
City of Hammond Appropriations	400,000
Intergovernmental	121,850
On-Behalf Payments by State	33,000
Miscellaneous Income	9,625
Total Revenues	847,649
Expenditures:	
General Government:	
Salaries & Related Benefits:	
Marshal	121,393
Deputies	330,048
Payroll Taxes	35,459
Retirement Contributions	116,947
Hospitalization Insurance	64,947
Automobile	18,265
Computer Maintenance	5,574
Insurance	64,159
Office Supplies and Telephone	11,266
Legal and Accounting	15,656
Other Expenditures	8,884
Equipment and Training Expenditures	37,979
Equipment and Training - Capital Outlay	849
Capital Outlay	2,926
Capital Outlay - Leased Vehicles	52,045
Total Expenditures	886,397
Other Financing Sources:	
Proceeds from Vehicle Lease	51,870
Proceeds from Sale of Capital Assets	4,580
Total Other Financing Sources	56,450
Excess of Revenues and Other Sources over Expenditures	17,702
Fund Balance - Beginning of the Year	572,040
Fund Balance - End of the Year	\$ 589,742

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances, Governmental Funds (Exhibit E) \$ 17,702

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays and lease payments are reported in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense and lease payments are recorded

Capital Outlay	3,775
Capital Outlay - Leased Vehicles	52,045
Amortization Expense	(7,590)
Depreciation Expense	(10,957)
Lease payments	7,725

Governmental funds expense insurance payments and accrued compensated absences when paid. In the statement of activities, only the portion applicable to the current year is expensed with the remaining amounts recorded in the statement of net position as prepaid

Prior Year Prepaid Insurance	(11,766)
Current Year Prepaid Insurance	20,004
Compensated Absence Change	916

Some capital assets acquired this year were financed with capital leases. Capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net position. (51,870)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net Change in Pension Expense	24,971
Contributions from Non-Employer Contributing Entities	<u>12,604</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ 57,559

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**
Statement of Fiduciary Net Position
June 30, 2022

Exhibit G

	<u>Civil Agency Fund</u>
Assets	
Cash on Hand and in Banks	\$ 37,341
Total Assets	<u>\$ 37,341</u>
Liabilities	
Due to Others	\$ 37,341
Total Liabilities	<u>\$ 37,341</u>
Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements
For the Year Ended June 30, 2022

Narrative Profile

The Marshal's Office – City Court of Hammond (hereinafter referred to as the “Marshal”) is separate and apart from the Hammond City Court (hereinafter referred to as the “Court”) and was created under the authority of Louisiana Revised Statutes (RS) 13:1871-2512. The purpose of the Marshal is to execute the orders and mandates of the Court, to include making arrests, preserving the peace, processing judgments and garnishments, and similar functions. The Marshal has jurisdiction within the Seventh Ward of Tangipahoa Parish. The Marshal presently employs fifteen people to include the Marshal, six full time Deputy Marshals, and eight part-time Deputy Marshals. The Marshal presently maintains an office in the Court building. Revenues for the Marshal include court costs assessed on all criminal cases handled by the Court and appropriations from the City of Hammond (hereinafter referred to as the “City”). Revenues are used in defraying the costs of operating the Marshal. Major expenditures of the Marshal include salaries & benefits, automobile expenditures, and general office expenditures.

The accounting and reporting policies of the Marshal conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of RS 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and in the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Marshal is an independently elected official; however, the Marshal is fiscally dependent on the City. The City maintains and operates the building in which the Marshal is located and provides funds for salaries, equipment, and expenditures of the Marshal. Because the Marshal is fiscally dependent on the City, the Marshal was determined to be a component unit of the City, 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, the general governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Fund Accounting

The Marshal uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain office functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Fund

Governmental funds account for all the Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

expendable resources that may be used to finance future period programs or operations of the Marshal. The following is the Marshal's governmental fund:

General Fund – the general operating fund of the Marshal and accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose, provided it is expended or transferred in accordance with state and federal laws and according to the Marshal's policy.

Fiduciary Fund

Fiduciary fund reporting focuses on net position and changes in net position. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, these funds have no measurement focus, but use the modified accrual basis of accounting. The following is the Marshal's fiduciary fund:

Civil Agency Fund – This fund is used to account for assets held by the Marshal as an agent for individuals or private organizations.

C. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Marshal as a whole and include all the non-fiduciary 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, and liabilities 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, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues. The Marshal does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the operations of the Marshal.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Criminal Court fees, appropriations from the City, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities is presented in Statement F of the basic financial statements.

D. Budgets and Budgetary Accounting

The Marshal follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The fiscal deputy prepares a proposed budget and submits this budget to the Marshal no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget for the year ended June 30, 2022, was published on May 27, 2021.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget for the year ended June 30, 2022, on June 8, 2021.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted. The proposed budget for the year ended June 30, 2022, was adopted on June 29, 2021.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Marshal. The budget for the year ended June 30, 2022, was not amended.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended, if applicable, by the Marshal.
7. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets, if applicable. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended, if applicable. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

E. Cash, Cash Equivalents, and Investments

Cash includes cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. 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. Under state law, the Marshal may also invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments for the Marshal are reported at cost.

F. Prepaid Items

The Marshal recognizes expenditures for insurance and similar services extending over more than one accounting period when paid.

G. Capital Assets

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the Marshal's capitalization threshold of \$500 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

H. Compensated Absences

All full-time employees of the Marshal who are paid on a salary basis and work a regular full-time workweek earn sick leave and annual leave. Employees with between six months and one year of service earn five days of sick leave. Employees with one year or more of service earn twelve days of sick leave each year. Employees may accumulate all unused sick leave but the employee's right to unused sick leave benefits does not vest. Therefore, the Marshal recognizes an expenditure for sick leave benefits when payments are made to employees.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Employees earn from one to four weeks of annual leave each year depending on length of service. Employees are required to take all vacation days each year by his or her anniversary date. Unused days cannot be carried over to the next year. Therefore, vacation days not used during that year will be lost. Unused annual leave is payable to the employee upon termination.

I. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Marshal's pension plan and additions to / deductions from the plan's fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Equity Classifications

Government-Wide Net Position:

Government-wide net position is divided into three components:

1. 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of resources with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or by (b) laws through constitutional provisions or enabling legislation.
3. Unrestricted – All other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

The Marshal considers restricted resources to be spent for government-wide expenses first when both restricted and unrestricted resources are available.

Governmental Fund Balances:

The Marshal follows GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the reporting of fund balance in the balance sheet of governmental type funds. In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of state statutes, state or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action by the Marshal.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

4. Assigned Fund Balance – amounts that are constrained by the Marshal's intent that they will be used for specific purposes. The Marshal is the only individual authorized to assign amounts and is the highest level of decision-making. Therefore, amounts must be reported as committed.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The Marshal considers restricted balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Marshal also considers committed and assigned balances to be spent first when other unassigned balances are available for use.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

L. Adoption of New Accounting Pronouncements

The Marshal adopted GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at fiscal year-end. The Marshal was in compliance with the Local Budget Act. See Note 1-D for the Marshal's budgetary accounting procedures.

B. Deposits, Investment Laws and Regulations

In accordance with state law, all uninsured deposits of in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the Marshal was in compliance with the deposit and investment laws and regulations.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

C. Deficit Fund Equity

As of June 30, 2022, no funds of the Marshal had deficit fund equities.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the Marshal has cash and cash equivalents totaling \$370,977 and investments totaling \$214,296 as of June 30, 2022. Total cash from fiduciary responsibilities not reported on the government-wide financial statements was \$37,341. These deposits are stated at cost, which approximates market.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged 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.

The following is a summary of cash, cash equivalents, and investments (bank balances) as of June 30, 2022, with the related federal deposit insurance and pledged securities:

Bank Balances:

Insured (FDIC Insurance)	\$ 654,179
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the Marshal's name	31,774
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>\$ 685,953</u>

Even though the pledged securities are not held in the entity's name, RS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Marshal that the fiscal agent has failed to pay deposited funds upon demand.

Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the Marshal's deposits may not be returned to it. The Marshal does not have a deposits policy for custodial risk. As of June 30, 2022, the Marshal was in compliance with state law, which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

4. Due from Other Governments

Amounts due from other governmental units at June 30, 2022, consisted of the following:

City of Hammond	\$	52
City Court of Hammond		13,417
Less: Allowance for Uncollectible Accounts		-
	<u>\$</u>	<u>13,469</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

Governmental Activities	Balance 07/01/21	Additions	Deductions	Balance 06/30/22
Office Equipment	\$ 23,722	\$ 3,775	\$ (745)	\$ 26,752
Software	66,143	-	-	66,143
Vehicles	47,968	-	(15,104)	32,864
Leased Vehicles	-	52,045	-	52,045
Total	137,833	55,820	(15,849)	177,804
Accumulated Depreciation:				
Office Equipment	20,408	4,207	(745)	23,870
Software	65,614	177	-	65,791
Automobiles	28,251	6,573	(15,104)	19,720
Total	114,273	10,957	(15,849)	109,381
Accumulated Amortization:				
Leased Vehicles	-	7,590	-	7,590
Total	-	7,590	-	7,590
Capital Assets, Net	\$ 23,560	\$ 37,273	\$ -	\$ 60,833

The following estimated useful lives and methods are used to compute depreciation:

Furniture & Equipment	5 Years	Straight-Line Method
Radios	10 Years	Straight-Line Method
Software	5 Years	Straight-Line Method
Vehicles	5 Years	Straight-Line Method

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

6. Long-Term Debt – Leases

The following is a summary of debt transactions of the Marshal's Office District for the fiscal year ended June 30, 2022:

Type of Debt	Balance 07/01/21	Debt Issued	Debt Retired	Balance 06/30/22	Due In One Year
Capital Leases:					
2021 Dodge Durango	\$ -	\$ 25,715	\$ 4,085	\$ 21,630	\$ 6,200
2021 Dodge Durango	-	26,155	3,640	22,515	6,286
Total	<u>\$ -</u>	<u>\$ 51,870</u>	<u>\$ 7,725</u>	<u>\$ 44,145</u>	<u>\$ 12,486</u>

On November 22, 2021, the Marshal's Office entered into a capital lease agreement at a fixed interest rate of 3.860% with Enterprise FM Trust for the purchase of a 2021 Dodge Durango vehicle, totaling \$25,715. The lease obligation is effective for a period of 48 months through October 2025. Monthly payments of \$587.04 began on November 22, 2021. Total payments during the fiscal year ended June 30, 2022, totaled \$4,085 of principal and \$532 of interest.

On December 1, 2021, the Marshal's Office entered into a capital lease agreement at a fixed interest rate of 3.860% with Enterprise FM Trust for the purchase of a 2021 Dodge Durango vehicle, totaling \$26,155. The lease obligation is effective for a period of 48 months through November 2025. Monthly payments of \$609.32 began on February 20, 2019. Total payments during 2021 totaled \$3,640 of principal and \$469 of interest.

The annual requirements to amortize all debt outstanding for the Marshal's Office at June 30, 2022, including interest payments of \$4,012 are as follows:

Year Ended December 31,	Capital Leases		
	2021 Dodge Durango	2021 Dodge Durango	Total
2022	\$ 6,926	\$ 7,044	\$ 13,970
2023	6,926	7,044	13,970
2024	6,926	7,044	13,970
2025	2,841	3,406	6,247
	<u>23,619</u>	<u>24,538</u>	<u>48,157</u>
Less: Interest Portion	1,989	2,023	4,012
	<u>\$ 21,630</u>	<u>\$ 22,515</u>	<u>\$ 44,145</u>

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

7. Employees' Pension Plan (Municipal Employees' Retirement System)

General Information about the Pension Plan

Plan Description – Employees of the Marshal are eligible for participation in the Municipal Employees' Retirement System of Louisiana (the "System") – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 356 of the 1954 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at www.mersla.com/annual-reports. The report may also be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Blvd., Baton Rouge, LA 70809, or at (225) 925-4810.

Benefits Provided – The System provides retirement, disability, and death benefits. Retirement benefits are generally determined as 3.0% of the employee's final compensation multiplied by the employee's years of creditable service. Employees with 25 years of service are eligible to retire at any age. Employees with a minimum of 10 years of service are eligible to retire at age 62. Employees are eligible for disability benefits under age 60 with 5 years of service. Survivor's benefits are available upon the death of a member who has credit for 5 or more years of service who is not eligible for normal retirement benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

Contributions – Per Act 788 of the 1978 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 10.00% of their annual pay. The Marshal's contractually required contribution rate for the year ended June 30, 2022, was 29.50% of annual payroll. Contributions to the System from the Marshal were \$116,947 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Marshal reported a liability of \$469,815 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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 June 30, 2022, contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Marshal's proportion was 0.168907%, which was a decrease of 0.001952% from its proportion measured as of June 30, 2021.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

For the year ended June 30, 2022, the Marshal recognized pension benefit of \$92,724. At June 30, 2022, the Marshal reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 169	\$ 5,372
Changes in Assumptions	17,169	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	132,370
Changes in Proportion and Differences Between Marshal Contributions and Proportionate Share of Contributions	35,593	5,805
Marshal Contributions Subsequent to the Measurement Date	116,946	-
	\$ 169,877	\$ 143,547

The \$169,877 reported as deferred outflows of resources related to pensions resulting from the Marshal's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:			
June 30, 2022			15,762
June 30, 2023			(26,640)
June 30, 2024			(34,126)
June 30, 2025			(44,808)
Thereafter			-

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Actuarial Assumptions – The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Life	3-Years
Investment Rate of Return	6.95%, Net of Investment Expense, with Inflation
Inflation	2.5%
Salary Increases	1 to 4 years of service 6.4% More than 4 years of service 4.5%
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.
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.
Disabled Lives Mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

The actuarial assumptions used in the June 30, 2020, valuation were verified by combining data from the System with three other Louisiana statewide pension plans which have similar compositions in order to produce a credible experience. The data collected for this study covered the period July 1, 2013 to June 30, 2018.

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

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	53.00%	2.33%
Public Fixed Income	38.00%	1.67%
Alternatives	9.00%	0.40%
Total	100.00%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

Discount Rate – The discount rate used to measure the total pension liability was 6.95% for the year ended June 30, 2020. 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 will be made at the actuarially determined 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 of the Marshal's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Marshal's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Marshal's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.95%) or one percentage-point higher (7.95%) than the current rate:

	1.0% Decrease (5.85%)	Current Discount Rate (6.85%)	1.0% Increase (7.85%)
Marshal's Proportionate Share of the Net Pension Liability	\$ 695,821	\$ 469,815	\$ 278,923

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of June 30, 2021, the Marshal owed \$-0- to the System for the Marshal's June 2021 payroll.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

8. On-Behalf Payments for Salaries and Benefits

The Marshal follows GASB Statement No. 24, “*Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.” This standard requires the Marshal to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the Marshal and deputies.

Supplementary salary payments are made by the State directly to the Marshal and deputies. The Marshal is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State. For the fiscal year ended June 30, 2022, the State paid \$33,000 in supplemental salary payments to the Marshal and deputies.

9. Deferred Compensation Plan

The Marshal offers its employees The Delaware Management Company, Inc. Section 457, Deferred Compensation Plan, a deferred compensation plan created in accordance with Internal Revenue Code Section 457, as revised June 1, 2000. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights shall be held for the exclusive benefit of participants and their beneficiaries.

At June 30, 2022, \$5,200 was applicable to employees of the Marshal.

10. Subsequent Events

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, November 29, 2022, and determined no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information (Part II)

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Schedule 1

Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Criminal / Civil Court Fees	\$ 277,000	\$ 277,000	\$ 280,874	\$ 3,874
Marshal's Bond Fees	3,500	3,500	2,300	(1,200)
City of Hammond Appropriations	400,000	400,000	400,000	-
Intergovernmental	121,850	121,850	121,850	-
On Behalf Payments by State	30,000	30,000	33,000	3,000
Miscellaneous Income	4,200	4,200	9,625	5,425
Total Revenues	<u>836,550</u>	<u>836,550</u>	<u>847,649</u>	<u>11,099</u>
Expenditures:				
General Government:				
Salaries & Related Benefits:				
Marshal	120,000	120,000	121,393	(1,393)
Deputies	340,585	340,585	330,048	10,537
Payroll Taxes	35,300	35,300	35,459	(159)
Retirement Contributions	121,000	121,000	116,947	4,053
Hospitalization Insurance	71,280	71,280	64,947	6,333
Automobile	17,000	17,000	18,265	(1,265)
Computer Maintenance	4,550	4,550	5,574	(1,024)
Insurance	57,876	57,876	64,159	(6,283)
Office Supplies and Telephone	10,400	10,400	11,266	(866)
Legal and Accounting	21,000	21,000	15,656	5,344
Other Expenditures	6,309	6,309	8,884	(2,575)
Equipment and Training Expenditures	21,250	21,250	29,447	(8,197)
Equipment and Training - Capital Outlay	-	-	849	(849)
Debt Service	-	-	8,532	(8,532)
Capital Outlay	10,000	10,000	2,926	7,074
Capital Outlay - Leased Vehicles	-	-	52,045	(52,045)
Total Expenditures	<u>836,550</u>	<u>836,550</u>	<u>886,397</u>	<u>(49,847)</u>
Other Financing Sources:				
Proceeds from Vehicle Lease	-	-	51,870	(51,870)
Proceeds from Sale of Capital Assets	-	-	4,580	(4,580)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>56,450</u>	<u>(56,450)</u>
Excess of Revenues over Expenditures	-	-	17,702	17,702
Fund Balance - Beginning of the Year	<u>-</u>	<u>-</u>	<u>572,040</u>	<u>572,040</u>
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,742</u>	<u>\$ 589,742</u>

See independent auditor's report.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Schedule 2

Schedule of the Marshal's Proportionate Share of the Net Pension Liability –
Municipal Employees' Retirement System of Louisiana
For the Year Ended June 30, 2022

<u>Fiscal Year*</u>	<u>Marshal's Proportion of the Net Pension Liability</u>	<u>Marshal's Proportionate Share of the Net Pension Liability</u>	<u>Marshal's Covered Employee Payroll</u>	<u>Marshal's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2022	0.168907%	\$ 469,815	\$ 396,428	118.51%	77.85%
2021	0.170859%	\$ 738,693	\$ 334,464	220.86%	64.52%
2020	0.142465%	\$ 595,313	\$ 326,567	182.29%	64.68%
2019	0.137508%	\$ 569,376	\$ 265,507	214.45%	63.94%
2018	0.185765%	\$ 777,133	\$ 251,053	309.55%	62.49%
2017	0.210398%	\$ 862,361	\$ 337,184	255.75%	62.11%
2016	0.255930%	\$ 914,222	\$ 375,862	243.23%	66.18%
2015	0.277104%	\$ 711,172	\$ 459,316	154.83%	73.99%
2014	0.267932%	\$ 830,431	\$ 442,135	187.82%	67.97%

* The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

See independent auditor's report.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Schedule 3

Schedule of Marshal Contributions –
Municipal Employees' Retirement System of Louisiana
For the Year Ended June 30, 2022

Fiscal Year*	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	Marshal's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2022	\$ 116,947	\$ (116,947)	\$ -	\$ 396,428	29.50%
2021	\$ 98,667	\$ (98,667)	\$ -	\$ 334,464	29.50%
2020	\$ 91,038	\$ (91,038)	\$ -	\$ 326,567	27.88%
2019	\$ 69,032	\$ (69,032)	\$ -	\$ 265,507	26.00%
2018	\$ 62,135	\$ (62,135)	\$ -	\$ 251,053	24.75%
2017	\$ 76,750	\$ (76,750)	\$ -	\$ 337,184	22.76%
2016	\$ 74,229	\$ (74,229)	\$ -	\$ 375,862	19.75%
2015	\$ 86,270	\$ (86,270)	\$ -	\$ 459,316	18.78%
2014	\$ 86,220	\$ (86,220)	\$ -	\$ 442,135	19.50%

* The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

See independent auditor's report.

Other Supplemental Information

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Schedule 4

Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2022

Agency Head: Honorable Pat Farris, Hammond City Marshal

<u>Purpose</u>	<u>Amount</u>
Compensation	
Salary	
Paid From City of Hammond Budget Funds	\$ 42,369
Paid From Tangipahoa Parish	14,586
Paid From Marshal's Office	54,630
Benefits - Insurance	
Health	8,306
Dental	332
Group Term Life	53
Long Term Disability	613
Benefits - Retirement (29.50%)	
Salary from Marshal's Office, City of Hmd, State Supplemental Pay and Tangipahoa Parish	34,688
Benefits - Other - Supplemental Pay	6,000
Dues	125
Reimbursements - Gas for Marshal's Owned 2020 Chevy Tahoe	<u>1,613</u>
 Total	 <u>\$ 163,315</u>

See independent auditor's report.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Schedule 5

Justice System Funding Reporting Schedule – Receiving Entity
For the Year Ended June 30, 2022

	First Six- Month Period Ended <u>12/31/21</u>	Second Six- Month Period Ended <u>06/30/22</u>
Receipts From:		
7th Ward Court, Hammond City Court, Criminal Court Cost / Fees	\$ 38,267	\$ 42,420
7th Ward Court, Hammond City Court, Civil Fees	<u>48,810</u>	<u>65,124</u>
	<u>\$ 87,077</u>	<u>\$ 107,544</u>
 Ending Balance of Amounts Assessed but Not Received	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

See independent auditor's report.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Schedule 6

Justice System Funding Reporting Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2022

	First Six- Month Period Ended 12/31/21	Second Six- Month Period Ended 06/30/22
Beginning Balance of Amounts Collected	\$ 5,503	\$ 2,638
Add: Collections		
Civil Fees	446,308	409,370
Bond Fees	-	-
Asset Forfeiture / Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs / Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation / Parole / Supervision Fees	-	-
Service / Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>446,308</u>	<u>409,370</u>
Less: Disbursements to Governments & Nonprofits		
Baton Rouge City Constable	-	90
Bossier Parish Sheriff, Civil Fees	135	270
Ascension Parish Sheriff, Civil Fees	-	166
Calcasieu Parish Sheriff, Civil Fees	-	66
East Baton Rouge Parish Sheriff, Civil Fees	2,020	3,260
Orleans Parish First City Court Constable Civil Fees	-	120
Jefferson Parish Sheriff, Civil Fees	180	300
Livingston Parish Sheriff, Civil Fees	358	97
Office of the City Constable, Civil Fees	-	-
Orleans Parish Sheriff, Civil Fees	330	90
Pointe Coupee Parish Sheriff, Civil Fees	36	-
Orleans Parish Second City Court Constable Civil Fees	-	20
St. Helena Parish Sheriff, Civil Fees	-	43
St. Tammany Parish Sheriff, Civil Fees	701	143
Tangipahoa Parish Sheriff, Civil Fees	774	1,221
Terebonne Parish Sheriff, Civil Fees	-	79
Calcasieu Parish Ward 3 Marshal's Office	-	75
Washington Parish Sheriff, Civil Fees	-	31
West Baton Rouge Parish Sheriff, Civil Fees	-	-

(Continued)

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Schedule 6

Justice System Funding Reporting Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2022

	First Six- Month Period Ended <u>12/31/21</u>	Second Six- Month Period Ended <u>06/30/22</u>
(Continued from Previous Page)		
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting / Disbursing to Others		
Based on Percentage of Collection	30,447	39,603
Collection Fee for Collecting / Disbursing to Others		
Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency - Civil Fees	18,204	16,612
Less: Disbursements to Individuals / 3rd Party		
Collection or Processing Agencies		
Civil Fee Refunds	23,782	15,922
Bond Fee Refunds	-	-
Restitution Payments to Individuals	-	-
Other Disbursements to Individuals	372,206	332,251
Payments to 3rd Party Collection / Processing Agencies	-	-
Subtotal Disbursements / Retainage	<u>449,173</u>	<u>410,459</u>
Total: Ending Balance of Amounts Collected but not Disbursed / Retained	\$ <u>2,638</u>	\$ <u>1,549</u>
Ending Balance of "Partial" Payments Collected but not Disbursed	\$ <u>-</u>	\$ <u>-</u>
Other Information:		
Ending Balance of Amounts Assessed but Not Collected	\$ <u>-</u>	\$ <u>-</u>
Total Waivers During the Fiscal Period	\$ <u>-</u>	\$ <u>-</u>

See independent auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**



Independent Auditor's 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*

The Honorable Pat Farris
Marshal, City Court of Hammond
Hammond, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Marshal's Office, City Court of Hammond, Louisiana, a component unit of the City of Hammond, Louisiana, as of for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Marshal's Office, City Court of Hammond, Louisiana's basic financial statements, and have issued our report thereon dated November 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Marshal's Office, City Court of Hammond's internal control over financial reporting (internal control) as a basis for designing 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 Office, City Court of Hammond, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Marshal's Office, City Court of Hammond, Louisiana'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 of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshal's Office, City Court of Hammond, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

Marshal's Office, City Court of Hammond
Hammond, Louisiana

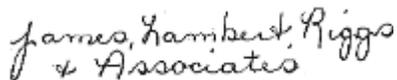
effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-01.

Marshal's Office, City Court of Hammond, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Marshal's Office, City Court of Hammond, Louisiana's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Marshal's Office, City Court of Hammond, Louisiana's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



James Lambert Riggs & Associates, Inc.

Hammond, Louisiana
November 29, 2022

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**
Schedule of Current Year Audit Findings and Responses
For the Year Ended June 30, 2022

We have audited, 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, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Marshal's Office, City Court of Hammond, Louisiana, a component unit of the City of Hammond, Louisiana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Marshal's Office, City Court of Hammond, Louisiana's basic financial statements, and have issued our report thereon dated November 29 2022. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	___	Yes	<u>X</u>	No
Significant Deficiencies	___	Yes	<u>X</u>	No

Compliance:

Compliance Material to the Financial Statements	<u>X</u>	Yes	___	No
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2. Management Letter

Was a management letter issued?	___	Yes	<u>X</u>	No
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Section II Financial Statement Findings

Internal Control over Financial Reporting

None

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**
Schedule of Current Year Audit Findings and Responses
For the Year Ended June 30, 2022

Compliance and Other Matters

2022-001 – Local Government Budget Act

Condition:

The Marshal's Office, City Court of Hammond, Louisiana may not have complied with certain provisions of the Local Government Budget Act.

Criteria:

Budget procedures applicable to the Marshal's Office are specified in state law, Louisiana Revised Statute (RS) 39:1301-1315. The pertinent part of the law and the manner in which the Marshal's Office may not have complied is as follows:

RS 39:1311(A)(1) requires the Marshal's Office to amend the budget when:

(1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent (5.00%) or more.

The General Fund had an expenditure budget vs actual variance over the allowable limits as of June 30, 2022:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Variance Percentage</u>
General Fund:					
Total Expenditures	\$ 836,550	\$ 836,550	\$ 886,397	\$ (49,847)	-5.96%

Cause:

The cause of this condition appears to be due to management oversight to amend the budget before year end.

Effect:

Failure to follow precise requirements of the Local Government Budget Act resulted in the Marshal's Office not being in compliance with the budget laws specified in LRS 39:1301:13115.

Recommendation:

We recommend that the Town continue to monitor its financial statements regularly and amend the budgets as needed.

Management's Response:

See management's response attached.

**Marshal's Office – City Court of Hammond
Hammond, Louisiana**

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

<u>Ref.#</u>	<u>Fiscal Year Findings Occurred</u>	<u>Description of Findings</u>	<u>Finding Resolved</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the Marshal's Office, City Court of Hammond.



PAT FARRIS
MARSHAL
CITY COURT OF HAMMOND
SEVENTH WARD, TANGIPAHOA PARISH



303 East Thomas Street
Hammond, Louisiana 70401

Phone: (985) 542-3445
Fax: (985) 542-3578

December 14, 2022

Mr. Paul M. Riggs, Jr., CPA
Audit Director
James Lambert Riggs & Associates, Inc.
401 East Thomas Street
Hammond, LA 70401

*RE: Regular Annual Audit
Marshal's Office, City Court of Hammond
As of and for the Year Ended June 30, 2022
Response to Audit Findings*

Dear Mr. Riggs,

In your regular annual audit report of the Marshal's Office, City Court of Hammond, Louisiana, ("Marshal's Office") for the fiscal year ended June 30, 2022, you reported one finding related to the Marshal's Office's compliance with the Louisiana Local Government Budget Act. The following contains our responses to your finding:

2022-001 Local Government Budget Act

It has always been the policy of the Marshal's Office to always follow the requirements of state law including the Louisiana Local Government Budget Act. At the end of the fiscal year our variances were within the requirements of the Local Government Budget Act. However, the expenditure variance of 5.96% referred to in your finding was because our auditor required us to record the total cost of two vehicles acquired using a long-term lease following the guidance of a new accounting standard, GASB Statement No. 87, *Leases*. This expenditure was not included in our budget as it did not require the outlay of money. Our office will continue to follow the requirements of the Louisiana Local Government Budget Act.

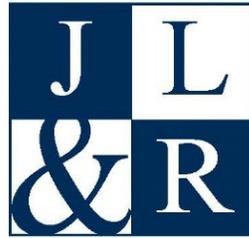
Respectfully submitted,

Marshal's Office, City Court of Hammond


Honorable Pat Farris, Marshal

MARSHAL'S OFFICE CITY COURT OF HAMMOND
STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT
FOR THE YEAR ENDED JUNE 30, 2022

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com


Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

To Honorable Pat Farris, Marshal
Marshal's Office, City Court of Hammond
Hammond, Louisiana and the Louisiana Legislative Auditor

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures 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 period July 1, 2021 through June 30, 2022. The Marshal's Office, City Court of Hammond's (the "Marshal's Office") management is responsible for those C/C areas identified in the SAUPs.

The Marshal's Office 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 period July 1, 2021 through June 30, 2022. 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.

Our procedures and findings are detailed in Schedule "A."

We were engaged by the Marshal's Office 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 the Marshal's Office 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.

*James Lambert Riggs
& Associates*

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

November 29, 2022

Written Policies and Procedures

1. 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

- i) **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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- k) **Information Technology 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

Board or Finance Committee

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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - b) 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 all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - **Results:** No exceptions were noted as a result of the above listed procedures.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

- **Results:** No exceptions were noted as a result of the above listed procedures.

Bank Reconciliations

3. 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:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- **Results:** No exceptions were noted as a result of the above listed procedures.

- b) Bank reconciliations include 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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** For one (1) of the four (4) bank accounts selected, appropriate documentation existed that the Marshal's Office has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

4. Obtain 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. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. 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 (i.e., 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 that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers / registers.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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.
 - **Results:** The Fiscal Deputy is responsible for collecting cash, creating the deposit, and posting the deposit to the general ledger. Although other employees / officials are responsible for taking the deposit to the bank, no other employees / officials reconcile the collection documentation 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.
 - **Results:** The Fiscal Deputy is responsible for collecting cash and posting all collection entries to the general ledger. No other employee / official reconciles this information.
 - 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 / official verifies the reconciliation.
 - **Results:** The Fiscal Deputy is responsible for collecting cash and posting all collection entries to the general ledger. No other employee / official reconciles this information.
6. 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
7. Randomly select 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.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- d) Observe 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).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- e) Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

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

- 8. 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).
- 9. For each location selected under #8 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, inquire of employees about their job duties), and observe 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.
 - **Results:** No purchase orders are used due to the small size of the office staff. All significant purchases are approved verbally by the Marshal.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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.
 - **Results:** The sole employee responsible for processing payments is able to add vendors to the QuickBooks accounting software. No other employee reviews changes to the 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.

- **Results:** The sole employee responsible for processing payments is also responsible for mailing vendor payment.

10. For each location selected under #8 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:

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

- **Results:** No exceptions were noted as a result of the above listed procedures.

b) Observe whether the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #9, as applicable.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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 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 excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- **Results:** No exceptions were noted as a result of the above listed procedures.

b) Observe that finance charges and late fees were not assessed on the selected statements.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

14. 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, 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:

a) If reimbursed using a per diem, observe 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).

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

c) Observe 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 policy (procedure #1h).

- **Results:** No exceptions were noted as a result of the above listed procedures.

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

- **Results:** No exceptions were noted as a result of the above listed procedures.

Contracts

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

- b) Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- **Results:** No exceptions were noted as a result of the above listed procedures.
- c) If the contract was amended (e.g., change order), observe 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, was approval documented).
- **Results:** No exceptions were noted as a result of the above listed procedures.
- 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 the invoice and related payment agreed to the terms and conditions of the contract.
- **Results:** No exceptions were noted as a result of the above listed procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.
- **Results:** No exceptions were noted as a result of the above listed procedures.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and / or contract, the official should document his / her daily attendance and leave.)
- **Results:** For the five (5) employees / officials selected, one (1) employee did not document their daily attendance and leave).
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- **Results:** For the five (5) employees / officials selected, no supervisory approval of daily attendance records or time sheets was noted for any of the five (5) employees / officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- **Results:** No exceptions were noted as a result of the above listed procedures.

d) Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.

- **Results:** No exceptions were noted as a result of the above listed procedures.

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

- **Results:** No exceptions were noted as a result of the above listed procedures.

19. 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

Ethics

20. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates each employee / official completed one hour of ethics training during the fiscal period.

- **Results:** One of the five randomly selected employees did not take their one hour of ethics training during the fiscal period. This employee, however, did take their one hour of ethics training on January 25, 2021 and September 28, 2022. These dates are outside of the fiscal period of July 1, 2021 to June 30, 2022; however, they are within the calendar years of 2021 and 2022. The other four randomly selected employees took their one hour of ethics training during the fiscal period.

b) 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

Debt Service

21. 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 State Bond Commission approval was obtained for each debt instrument issued.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

- **Results:** No exceptions were noted as a result of the above listed procedures.

Fraud Notice

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

24. 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

Information Technology Disaster Recovery / Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

c) 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

Sexual Harassment

26. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, 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.
- **Results:** One of the five randomly selected employees did not take their one hour of sexual harassment training during the fiscal period. This employee, however, did take their one hour of sexual harassment training on February 2, 2021. This date is outside of the fiscal period of July 1, 2021 to June 30, 2022; however, it is within the calendar year of 2021. The other four randomly selected employees took their one hour of sexual harassment training during the fiscal period.
27. 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).
- **Results:** No exceptions were noted as a result of the above listed procedures.
28. 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 it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - b) Number of sexual harassment complaints received by the agency;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - e) Amount of time it took to resolve each complaint.
 - **Results:** No exceptions were noted as a result of the above listed procedures.



PAT FARRIS
MARSHAL
CITY COURT OF HAMMOND
SEVENTH WARD, TANGIPAHOA PARISH



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December 14, 2022

Mr. Paul M. Riggs, Jr., CPA
Audit Director
James Lambert Riggs & Associates, Inc.
401 East Thomas Street
Hammond, LA 70401

*RE: Statewide Agreed-Upon Procedures
Marshal's Office, City Court of Hammond
As of and for the Year Ended June 30, 2022
Response to Statewide Agreed-Upon Procedures*

Dear Mr. Riggs,

In your regular agreed-upon procedures of the Marshal's Office, City Court of Hammond, Louisiana, ("Marshal's Office") for the fiscal year ended June 30, 2022, you have several recommendations related to improving the governmental accounting and reporting functions of the Marshal's Office.

The Marshal's Office agrees with all the current year recommendations and will be working to implement all recommendations by June 30, 2023.

The Marshal's Office has found the audit and agreed-upon processes to be very beneficial and appreciate the auditors' recommendations.

Respectfully submitted,

Marshal's Office, City Court of Hammond

Honorable Pat Farris, Marshal