

**WARD SIX MARSHAL  
OF THE PARISH OF ST. MARY**  
Morgan City, Louisiana

Financial Report

Year Ended December 31, 2018

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

11929 Bricksome Ave.  
Baton Rouge, LA 70816  
Phone (225) 293-8300

1428 Metro Dr.  
Alexandria, LA 71301  
Phone (318) 442-4421

450 E. Main St.  
New Iberia, LA 70560  
Phone (337) 367-9204

200 S. Main St.  
Abbeville, LA 70510  
Phone (337) 893-7944

1234 David Dr. Ste. 203  
Morgan City, LA 70380  
Phone (985) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70655  
Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Honorable Kenneth Duval  
Ward Six Marshal of the Parish of St. Mary  
Morgan City, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Ward Six Marshal of the Parish of St. Mary (hereinafter "the Marshal"), a component unit of the City of Morgan City, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Marshal's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Marshal. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and applicable provisions of *Government Auditing Standards*. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that budgetary comparison schedules 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. Such information is the representation of the management of the Marshal. The budgetary comparison schedule on pages 23 and 24 was not audited or reviewed by us, and we do not express an opinion, a conclusion, nor provide any form of assurance on it.

The Marshal has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
June 24, 2019

**BASIC FINANCIAL STATEMENT**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Statement of Net Position  
December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 19,224
Due from other governmental units	1,960
Capital assets, net	<u>7,973</u>
Total assets	<u>29,157</u>
LIABILITIES	
Payroll taxes payable	<u>2,919</u>
NET POSITION	
Net investment in capital assets	7,973
Unrestricted	<u>18,265</u>
Total net position	<u>\$ 26,238</u>

*See accompanying notes and independent accountant's review report.*

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Statement of Activities  
Year Ended December 31, 2018

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 123,723</u>	<u>\$ 35,898</u>	<u>\$ 82,862</u>	\$ (4,963)
		Net Position - January 1, 2018		31,201
		Net Position - December 31, 2018		\$ 26,238

*See accompanying notes and independent accountant's review report.*

**FUND FINANCIAL STATEMENTS**

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Balance Sheet  
Governmental Fund  
December 31, 2018

	<u>General Fund</u>
ASSETS	
Cash	\$ 19,224
Due from other governmental units	<u>1,960</u>
Total assets	<u>\$ 21,184</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Payroll taxes payable	\$ 2,919
Fund balance:	
Unassigned	<u>18,265</u>
Total liabilities and fund balance	<u>\$ 21,184</u>

(continued)

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Balance Sheet (continued)  
Governmental Fund  
December 31, 2018

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position:

Total fund balances for the governmental fund at December 31, 2018	\$ 18,265
Total net position reported for governmental activities in the statement of net position is different because:	
Cost of capital assets, net of accumulated depreciation	<u>7,973</u>
Total net position of governmental activities at December 31, 2018	<u>\$ 26,238</u>

*See accompanying notes and independent accountant's review report.*

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
Year Ended December 31, 2018

	<u>General Fund</u>
Revenues:	
Fees, charges, and commission for services	\$ 35,898
Intragovernmental - City of Morgan City	<u>82,862</u>
Total revenues	<u>118,760</u>
Expenditures:	
General government	119,334
Capital outlay	<u>2,201</u>
Total expenditures	<u>121,535</u>
Net change in fund balance	(2,775)
Fund balance, beginning	<u>21,040</u>
Fund balance, ending	<u>\$ 18,265</u>

(continued)

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)  
Governmental Fund  
Year Ended December 31, 2018

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balance of the Governmental Fund to the Statement of Activities:

Total net changes in fund balance at December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (2,775)
The change in net position reported for governmental activities in the statement of activities is different because:	
Cost of capital outlay	2,201
Depreciation expense	<u>(4,389)</u>
Total changes in net position at December 31, 2018 per Statement of Activities	<u>\$ (4,963)</u>

*See accompanying notes and independent accountant's review report.*

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Statement of Fiduciary Net Position  
December 31, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 1</u>
LIABILITIES	
Due to others	<u>\$ 1</u>

*See accompanying notes and independent accountant's review report.*

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

As provided by LSA-RS 13:1871 et seq, the City Court of Morgan City was established and included the creation of the office of the Marshal. The territorial jurisdiction of the Marshal extends throughout the City of Morgan City and throughout the whole of Ward Six of St. Mary Parish. The Marshal is elected for a six-year term. The Marshal's salary is funded by the St. Mary Parish Council and by the City of Morgan City at no cost to the Marshal's Cost Fund.

(1) Summary of Significant Accounting Policies

The accompanying component unit financial statements of the Ward Six Marshal of the Parish of St. Mary (hereinafter "Marshal") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the city, for reporting purposes, the City of Morgan City is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the City of Morgan City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

Because the City of Morgan City provides compensation and office space to the Marshal and the significance of the relationship between the Marshal and City, the Marshal was determined to be a component unit of the City of Morgan 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 government services provided by the City, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Marshal as a whole. These statements include all the financial activities of the Marshal. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets 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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

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

Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

Fund Financial Statements

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

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

The funds of the Marshal are described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statutes is the principal fund of the Marshal and is used to account for the operations of the Marshal. The Marshal's primary source of revenue is fees from the City Court of Morgan City. General operating expenditures are paid from this fund.

Fiduciary Fund

Fiduciary fund reporting focuses on net position and changes in net position. The only fund accounted for in this category by the Marshal is an agency fund. The agency fund accounts for assets held by the Marshal as an agent for litigants in garnishment proceedings. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but uses the accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

- a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available expendable financial resources during a given period. This fund uses fund balance as its measure of available expendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

Basis of Accounting

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

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

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Marshal.

Capital Assets

Capital assets, which include vehicles, furniture, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Marshal maintains a threshold level of \$500 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Vehicles	5 years
Furniture and equipment	5-10 years

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

Equity Classifications

Government-wide Financial Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance for the Marshal’s governmental funds is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Marshal. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Marshal.
- d. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Marshal may assign amounts for specific purposes.
- e. Unassigned - all other spendable amounts.

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

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

E. Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

(2) Cash and Interest-bearing Deposits

Under state law, the Marshal may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Marshal may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the Marshal has a cash balance (book balance) totaling \$19,225 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and interest-bearing deposits	\$ 19,224	\$ 1	\$ 19,225

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Marshal or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Marshal's deposits may not be recovered or the Marshal will not be able to recover collateral securities that are in the possession of an outside party. The Marshal does not have a policy to monitor or reduce exposure to custodial credit risk. Deposit balances (bank balances) at December 31, 2018, were \$23,874 which were fully secured by federal deposit insurance and not subject to custodial credit risk.

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

(3) Capital Assets

A summary of changes in capital assets follows:

	1/1/2018	Additions	Deletions	12/31/2018
Governmental activities:				
Vehicles and equipment	\$ 44,728	\$ 2,201	\$ -	\$ 46,929
Less: accumulated depreciation	34,567	4,389	-	38,956
Net capital assets	\$ 10,161	\$ (2,188)	\$ -	\$ 7,973

Depreciation expense for the year ended December 31, 2018 was charged to the general government function in the amount of \$4,389.

(4) Retirement Plan

Substantially, all employees of the Marshal's office are members of the Parochial Employees' Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Marshal's office are members of Plan A. All permanent employees working at least 35 hours per week who are paid wholly or in part from city funds and all elected city officials are eligible to participate in the System.

Regular retirement benefits

A member of Plan A is eligible to retire and receive regular benefits if the member has credit for at least:

1. Thirty years of service, regardless of age;
2. Twenty-five years of service and is at least the age of fifty-five; or
3. Ten years of service and is at least the age of sixty years.

The Plan A regular retirement benefit is an amount equal to three percent of the member's final compensation multiplied by his years of credited service (three percent multiplied by each year of credited service multiplied by final compensation), provided that:

1. A member who held an elective office in participating municipality is paid an additional benefit equal to one-half of one percent of the member's final compensation multiplied by each year of such elective service (one-half of one percent multiplied by final compensation); and
2. For an employee who was a member only of the supplemental plan prior to the revision date, the benefit earned for service credited prior to the revision date will be determined on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation for each year of service after the revision date.

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

The System issued an annual, publicly available financial report that includes financial statements and required supplementary information for the System. A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Marshal is required to contribute at an actuarially determined rate. The current rate is 12.50% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Marshal are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City of Morgan City makes contributions to the retirement system on-behalf of the Marshal. Therefore, the disclosure of pension liabilities, deferred outflows of resources and deferred inflows of resources required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, is included within the City's financial report. The City's publicly available financial report may be obtained by writing to the City of Morgan City, 512 First Street, Morgan City, LA 70380.

(5) Changes in Agency Fund Unsettled Deposits

A summary of changes in the unsettled deposits for the garnishment agency fund follows:

Balance 1/1/2018	\$ 1
Additions	273,393
Reductions	<u>(273,393)</u>
Balance 12/31/2018	<u>\$ 1</u>

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to Basic Financial Statements (continued)

(6) Compensation and Other Payments to Marshal

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head of chief officer. Payments to the Marshal, Kenneth Duval, for the year ended December 31, 2018 are as follows:

Salary	\$ 39,960
Marshal's Commission	16,272
Benefits – Insurance	8,140
Benefits – Retirement	4,554
Benefits – Life insurance	152
Conference Registration	285
Cell Phone	899
Total	<u>\$ 70,262</u>

(7) On-Behalf Payments for Salaries and related benefits

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires the Marshal to report in the financial statements on-behalf salary and related benefit payments made by the City of Morgan City to the Marshal's employees. Salary payments are made by the City directly to the employees. The basis for recognizing the revenue and expenditure payments is that actual contributions are made by the City. In 2018, the City paid salaries and related benefits to the city marshal and deputy marshal. On-behalf payments recorded as revenues and expenditures in the financial statements for the year ended December 31, 2018 totaled \$82,862.

(8) Expenditures of the Marshal's Office Paid by the City of Morgan City

The cost of some expenditures for the operation of the Marshal's office as required by Louisiana Revised Statute 13:1889, is paid by the City of Morgan City. Such expenditures are not included in the accompanying financial statements.

(9) Risk Management

The Marshal is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Marshal's primary government, the City of Morgan City, has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss.

The City is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended December 31, 2018. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years. The Marshal has made no contributions to the premiums on the policy during the year ended December 31, 2018.

**REQUIRED SUPPLEMENTARY INFORMATION**

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana  
General Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2018

	Budget Amounts		Actual	Variance -
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Fees, charges, and commission for services	\$ 28,000	\$ 36,955	\$ 35,898	\$ (1,057)
City of Morgan City - on behalf	<u>83,433</u>	<u>83,946</u>	<u>82,862</u>	<u>(1,084)</u>
Total revenues	<u>111,433</u>	<u>120,901</u>	<u>118,760</u>	<u>(2,141)</u>
<b>Expenditures:</b>				
General government:				
Current -				
Automobile	6,000	3,530	6,573	(3,043)
Office operation and supplies	4,650	5,323	5,895	(572)
Professional fees	5,500	4,965	4,965	-
Salaries and benefits	99,958	104,746	101,565	3,181
Travel and conferences	<u>1,000</u>	<u>336</u>	<u>336</u>	<u>-</u>
Total current	117,108	118,900	119,334	(434)
Capital outlay -				
Equipment	<u>500</u>	<u>5,356</u>	<u>2,201</u>	<u>3,155</u>
Total general government expenditures	<u>117,608</u>	<u>124,256</u>	<u>121,535</u>	<u>2,721</u>
Net change in fund balance	(6,175)	(3,355)	(2,775)	580
Fund balance, beginning	<u>21,040</u>	<u>21,040</u>	<u>21,040</u>	<u>-</u>
Fund balance, ending	<u>\$ 14,865</u>	<u>\$ 17,685</u>	<u>\$ 18,265</u>	<u>\$ 580</u>

*See independent accountant's review report and notes to budgetary comparison schedule.*

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Notes to the Budgetary Comparison Schedule

Budgetary Basis

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Marshal.

Budgetary Practice

Ward Marshals are required under Louisiana Revised Statute 39:1301 et seq to adopt a budget. The Marshal follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Marshal for the fiscal year prior to the beginning of each fiscal year.
2. If proposed expenditures exceed \$500,000, 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, if required.
3. If required, a public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing, if required, and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

**REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE***

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Kenneth Duval  
Ward Six Marshal of the Parish of St. Mary  
Morgan City, Louisiana

We have performed the procedures enumerated below which were agreed to by the Ward Six Marshal of the Parish of St. Mary (hereinafter "the Marshal") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Marshal's compliance with certain laws and regulations during the year ended December 31, 2018 included in the accompanying Louisiana Attestation Questionnaire (Exhibit A), as required by the *Louisiana Governmental Audit Guide*. The Marshal's management is responsible for its financial records and compliance with applicable laws and regulations.

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

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$152,550 and determine whether such purchases were made in accordance with RS 38:2211-2296 (the public bid law).

*No expenditures were made during the year that exceeded \$30,000, nor were there any expenditures for public works made during the year that exceeded \$152,550.*

### Code of Ethics for Public Officials and Public Employees

2. Obtain a list of immediate family members as defined by RS 42:1101-1124 (the code of ethics), and a list of outside business interests of you and all employees, as well as their immediate families.

*Management provided us with the required list including the noted information.*

3. Obtain from management a listing of all employees paid during the period under examination.

*Management provided us with the required list.*

4. Determine whether any of those employees included in the listing obtained from management were also included on the listing obtained from management as immediate family members.

*None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).*

### **Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

*Management provided us with a copy of the original and amended budgets.*

6. Trace the budget adoption to adoption instruments.

*Budget adoption procedures were documented by the execution of a process verbal.*

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by five percent (5%) or more or if actual expenditures exceed budgeted amounts by five percent (5%) or more. (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$500,000 or less and exempts special revenue funds whose expenditures drive revenue recognition-primarily federal funds.)

*Actual revenues did not fail to meet budgeted amounts by five percent or more and actual expenditures did not exceed budgeted amounts by more than five percent.*

### **Accounting and Reporting**

8. Randomly select six (6) disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities.

*We examined supporting documentation for each of the six selected disbursements and found that payments were for the proper amounts, made to the correct payees, properly coded to the correct funds and general ledger accounts, and appropriately approved.*

### **Debt**

9. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

*We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.*

### **Advances and Bonuses**

10. Examine payroll records for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

*We inspected payroll records for the year and noted no instances, which would indicate payments to employees that would constitute bonuses, advances, or gifts.*

**Prior Comments and Recommendations**

11. Review any prior year suggestions, recommendations and/or comments to determine the extent to which such matters have been resolved.

*Our prior year report dated June 25, 2018 did not include any comments or unresolved matters with regard to the foregoing agreed upon procedures.*

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

The purpose of this report is solely to describe the scope of testing performed on management's assertions regarding the Marshal's compliance with certain laws and regulations, and the results of that testing, and not to provide an opinion on management's assertions. This report is intended solely for the information of and use by the management of the Marshal and the Louisiana Legislative Auditor. Accordingly, this report should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
June 24, 2019

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Schedule of Findings  
Year Ended December 31, 2018

Findings reported in accordance with *Government Auditing Standards*:

2018-001 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Marshal’s internal control over financial reporting includes those policies and procedures that pertain to the Marshal’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Summary Schedule of Prior Findings  
Year Ended December 31, 2018

Findings reported in accordance with *Government Auditing Standards*:

2017-001 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of findings, item 2018-001.

WARD SIX MARSHAL OF THE PARISH OF ST. MARY  
Morgan City, Louisiana

Corrective Action Plan for Current Findings  
Year Ended December 31, 2018

2018-001 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: No response considered necessary.

**Exhibit A**

**WARD SIX MARSHAL FOR THE PARISH OF ST. MARY**  
**Louisiana Attestation Questionnaire**  
**Year Ended December 31, 2018**

Kolder, Slaven & Company, LLC, CPAs  
Post Office Box 3438  
Morgan City, Louisiana 70381

In connection with your review of our financial statements as of December 31, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of the date noted on the last page of this questionnaire.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.  
Yes [] No [  ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.  
Yes [] No [  ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.  
Yes [] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.  
Yes [] No [  ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.  
Yes [] No [  ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.  
Yes [] No [  ]

We have had our financial statements reviewed in accordance with R.S. 24:513.  
Yes [] No [  ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).  
Yes [] No [  ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.  
Yes [] No [  ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65. Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729. Yes  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments. Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations. Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations. Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures. Yes  No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report. Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report. Yes  No

The previous responses have been made to the best of our belief and knowledge.

  
\_\_\_\_\_  
Kenneth Duval  
Ward Six Marshal for the Parish of St. Mary

12-03-2018  
Date