

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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 1996
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 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

INDEPENDENT AUDITOR'S REPORT

To Opelousas City Marshal, Paul Mouton
 Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Opelousas City Marshal, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Opelousas City Marshal's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Opelousas City Marshal as of December 31, 2017 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To Opelousas City Marshal, Paul Mouton
Opelousas, Louisiana
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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison information on page 21 be presented to supplement the basic financial statements. Such 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 and 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

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

Other Information

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

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements of 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 other supplementary information is 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 May 16, 2018 on our consideration of the Opelousas City Marshal's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Marshal's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated May 16, 2018 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's

To Opelousas City Marshal, Paul Mouton
Opelousas, Louisiana
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state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

John S. Dowling & Company

Opelousas, Louisiana
May 16, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

GOVERNMENTAL ACTIVITIES

ASSETS

Cash	\$ 12,771
Certificates of deposit	38,539
Due from Garnishment Account	94,882
Receivables	3,960
Capital assets, net	34,053
<u>Total assets</u>	<u>184,205</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	<u>5,794</u>
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LIABILITIES

Accounts payable	2,112
Payroll taxes payable	9,137
Retirement payable	1,339
Capital lease payable	
Due within one year	1,768
Due in more than one year	6,040
<u>Total liabilities</u>	<u>20,396</u>

NET POSITION

Net investment in capital assets	34,053
Unrestricted	<u>135,550</u>
<u>Total net position</u>	<u>169,603</u>

The notes to the financial statements are an integral part of this statement.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General government	<u>\$ 574,254</u>	<u>\$136,972</u>	<u>\$ 1,018</u>	<u>\$ (436,264)</u>
<u>Total governmental activities</u>	<u>574,254</u>	<u>136,972</u>	<u>1,018</u>	<u>(436,264)</u>
General revenues				
Intergovernmental				407,300
Interest income				886
Insurance reimbursement				2,998
Disposal of assets				(214)
Miscellaneous				<u>3,992</u>
<u>Total governmental revenues</u>				<u>414,962</u>
Change in net position				(21,302)
Net position, January 1, 2017				<u>190,905</u>
Net position, December 31, 2017				<u>169,603</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
BALANCE SHEET
DECEMBER 31, 2017

	GOVERNMENTAL FUND TYPE GENERAL
<u>ASSETS</u>	
Cash	\$ 12,771
Certificates of deposit	38,539
Due from Garnishment Fund	94,882
Receivables	3,960
<u>Total assets</u>	150,152
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$ 2,112
Payroll taxes payable	9,137
Retirement payable	1,339
<u>Total liabilities</u>	12,588
<u>FUND BALANCE</u>	
Fund balance - unassigned	137,564
<u>Total fund balance</u>	137,564
<u>Total liabilities and fund balance</u>	150,152

The notes to the financial statements are an integral part of this statement.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total fund balance for the governmental fund at December 31, 2017		\$ 137,564
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund.		
Cost of capital assets	\$ 110,767	
Less: Accumulated depreciation	<u>(76,714)</u>	34,053
Deferred outflows of resources related to employer contributions subsequent to the measurement date are expenditures in the governmental fund.		5,794
Long-term liabilities:		
Capital lease payable		<u>(7,808)</u>
Total net position of governmental activities at December 31, 2017		<u><u>169,603</u></u>

The notes to the financial statements are an integral part of this statement.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES

Fines and forfeitures	
Fines	\$ 37,654
Fines - DA	71,333
Subpoenas	600
Bonds collected	1,848
Bond forfeiture income	1,215
Garnishment revenue	24,322
Intergovernmental	
Salary reimbursements	14,800
Juvenile mileage	179
Parish government reimbursements	39,333
On behalf payments - State of Louisiana	8,000
On behalf payments - City of Opelousas	344,988
Interest income	886
Insurance reimbursement	2,998
Other	
Donations	1,018
Miscellaneous	3,992
<u>Total revenues</u>	<u>553,166</u>

EXPENDITURES

Current operating	
Salaries	119,246
Payroll taxes	6,434
On behalf payments - State of Louisiana	8,000
On behalf payments - City of Opelousas	344,988
Auto repairs and maintenance	18,673
Insurance	6,988
Office supplies	8,406
Equipment repairs and maintenance	3,404
Uniforms	3,196
Dues and conventions	669
Police supplies	8,222
Basic training	1,499
Accounting	10,010
Computer expense	1,265
Internet	3,245
Travel and meetings	629
Telephone	7,418
Miscellaneous	99
Interest	17
Lease expense	9,028
Retirement	10,196
Capital outlay	8,839
Debt service	1,031
<u>Total expenditures</u>	<u>581,502</u>

OTHER FINANCING SOURCES

Proceeds from disposal of asset	2,477
Inception of capital lease	8,839
<u>Total other financing sources</u>	<u>11,316</u>

NET CHANGE IN FUND BALANCE (17,020)

FUND BALANCE, beginning of year 154,584

FUND BALANCE, end of year 137,564

The notes to the financial statements are an integral part of this statement.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN THE FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Total net change in the fund balance for the year December 31, 2017, per Statement of Revenues, Expenditures, and Changes in Fund Balance	\$(17,020)
The governmental fund reports capital outlay are expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful life and reported as depreciation expense	
Depreciation	(8,416)
Disposal of assets	(2,691)
Repayment of capital lease is considered an expenditure in the governmental funds, but their repayment reduces liabilities in the Statement of Net Position	1,031
Pension expenditures related to employer contributions subsequent to the measurement are expenditures in the governmental fund	<u>5,794</u>
Total change in net position for the year ended December 31, 2017, per Statement of Activities	<u><u>(21,302)</u></u>

The notes to the financial statements are an integral part of this statement.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
AGENCY FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2017

	<u>FIDUCIARY</u> <u>FUND TYPE</u> <u>GARNISHMENT FUND</u>
<u>ASSETS</u>	
Cash	\$ 26,775
Certificate of deposit	<u>68,107</u>
<u>Total assets</u>	<u><u>94,882</u></u>
 <u>LIABILITIES</u>	
Due to General Fund	<u>\$ 94,882</u>
<u>Total liabilities</u>	<u><u>94,882</u></u>

The notes to the financial statements are an integral part of this statement.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies and practices.

A. The Reporting Entity

The Opelousas City Marshal was established under the provisions of Louisiana Revised Statutes 13:1879. The Marshal is charged with the responsibility of conducting, policing, and securing functions for Opelousas City Court. Operations of the Marshal's office are funded by court costs charged by Opelousas City Court.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the primary government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
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.

Based on the criteria described above, the Opelousas City Marshal is a primary government due to the following:

1. The Marshal is an independently elected official.
2. The Marshal is fiscally independent of the City of Opelousas.
3. The Marshal is legally separate from the City of Opelousas.

The accompanying basic financial statements present information only on the funds maintained by the City Marshal.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

Government-wide Financial Statements (GWFS).

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of Opelousas City Marshal, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

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 specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the program, 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.

Fund Financial Statements.

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitutes its assets, liabilities, fund equity, revenues, and expenditures.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Governmental Fund of the City Marshal includes:

The Opelousas City Marshal reports the following major governmental fund.

The General Fund is the general operating fund of the Opelousas City Marshal. It is used to account for all financial resources except those required to be accounted for in other funds.

Additionally, the Opelousas City Marshal reports the following fund type.

The Agency Fund type is used to account for assets held by a government in a trustee or agent capacity for others. Agency funds generally serve as clearing accounts. The Marshal's Agency Fund is as follows:

The Agency Fund is the Garnishment Fund of the Opelousas City Marshal. It is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting – Continued

Measurement Focus

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

The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

D. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Revenues

Fines and reimbursements are recorded when they become susceptible to accrual. Miscellaneous revenues are recorded when received.

Expenditures

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

Expenditures for insurance and similar services, which extend over more than one accounting period, are accounted for as expenditures in the period of acquisition.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of year-end unless significant.

The City Marshal does not employ the encumbrance system of accounting.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

Louisiana statutes authorize the City Marshal to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

F. Receivables

The receivables account represents fines receivable, salary reimbursement, juvenile mileage, subpoenas receivable, restitutions receivable, and bond forfeitures receivable, and miscellaneous receivable.

The fines receivable amount represents fines collected by the Opelousas City Court for the current year but not remitted to the City Marshal until the next year.

The salary reimbursement receivable represents the amount the St. Landry Parish District Attorney reimbursed for the current year for salaries, but did not remit to the City Marshal until the next year.

The subpoenas receivable represents the amount collected by the Opelousas City Court for the current year but not remitted to the City Marshal until the next year.

The bond forfeitures receivable represents amounts collected by the Opelousas City Court, mainly from bonding agencies, when defendants fail to appear in court for the current year but not remitted to the City Marshal until the next year.

The miscellaneous receivable represents amounts that are not included in any of the above categories.

G. Capital Assets

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net 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:

Equipment	5-20 years
Autos	10-20 years

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

Construction period interest is capitalized if material amounts or interest resulting from borrowings in the course of the construction of fixed assets is incurred. No interest was capitalized for the year ended December 31, 2017.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

H. Deferred Outflow of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

I. Budget

The City Marshal adopts a budget before the beginning of each year on a basis consistent with generally accepted accounting principles (GAAP). If necessary, the budget is amended. All budgetary appropriations lapse at the end of each year.

J. Annual Sick Leave

All annual leave accumulated in 2017 was converted to sick leave on December 31, 2017. Sick leave is paid upon retirement or death, up to a maximum of 240 hours at a rate computed by taking the current monthly salary provided by the Opelousas City Marshal, and dividing that amount by 160 hours. Accrued compensated absences are inconsequential at December 31, 2017, and thus are not recorded in these financial statements.

K. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in 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 bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Net position – restricted - Consists of net assets 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.
3. Net position – unrestricted - All other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Proprietary fund equity is classified the same as in the government-wide statements.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Equity Classifications (Continued)

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by the Marshal – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Marshal removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the City Marshal's "intent" to be used for specific purposes, but are neither restricted nor committed. The Marshal has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The Marshal considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Marshal would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

When both restricted and unrestricted resources are available for use, it is the City Marshal's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE (2) - CASH AND CERTIFICATES OF DEPOSIT

Cash consists of demand deposit accounts in the General Fund and one demand deposit account in the Garnishment Agency Fund. At year-end, the carrying amount of the City Marshal's cash accounts was \$57,891. The bank balance of cash was \$39,546. The cash was covered by federal depository insurance. The carrying amount and the bank balance of certificates of deposit at year-end were \$106,646. The bank balance was covered by federal depository insurance.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (2) - CASH AND CERTIFICATES OF DEPOSIT (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City Marshal's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting balances) must be secured by federal deposit insurance or similar federal security 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 City Marshal or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

As of December 31, 2017, the City Marshal's total bank balances were fully insured and therefore not exposed to custodial credit risk. The City Marshal does not have a policy for custodial credit risk.

NOTE (3) - RECEIVABLES

Receivables at December 31, 2017 consist of the following:

Fines	\$ 2,696
Salary reimbursement	800
Subpoenas receivable	264
Miscellaneous	<u>200</u>
<u>Total</u>	<u><u>3,960</u></u>

NOTE (4) - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2017</u>
Governmental Activities				
Automobiles	\$ 45,126	\$ -	\$ 3,000	\$ 42,126
Equipment	<u>66,534</u>	<u>8,839</u>	<u>6,732</u>	<u>68,641</u>
<u>Totals</u>	<u>111,660</u>	<u>8,839</u>	<u>9,732</u>	<u>110,767</u>
Less accumulated depreciation				
Autos	35,473	1,465	1,100	35,838
Equipment	<u>39,866</u>	<u>6,951</u>	<u>5,941</u>	<u>40,876</u>
<u>Total accumulated depreciation</u>	<u>75,339</u>	<u>8,416</u>	<u>7,041</u>	<u>76,714</u>
Capital assets, net	<u>36,321</u>	<u>423</u>	<u>2,691</u>	<u>34,053</u>

Depreciation expense for the year ended December 31, 2017, amounted to \$8,416

The land and building in which the Opelousas City Marshal operates, are provided by and currently owned by the City of Opelousas, Louisiana.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (5) - ON-BEHALF PAYMENTS

Employees of the Opelousas City Marshal's office received salaries and fringe benefits from various agencies and are included in the financial statements. The following is a summary of these on-behalf payments:

State of Louisiana	
State supplemental pay	\$ 8,000
City of Opelousas	
Salaries	236,985
Group health	38,462
Medicare	3,307
Unemployment compensation taxes	8,871
MERS contributions	57,363

The cost of some expenditures for the operation of the Opelousas City Marshal's office are paid by the City of Opelousas and are not included in the financial statements. They are as follows:

City of Opelousas	
Vehicle expenses	23,203
Telephone, postage, office supplies	2,672

NOTE (6) - INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between funds that may result in amounts owed between funds. Those related goods and services type transactions are classified as "due to and from other funds" in the fund financial statements. In the government-wide financial statements, interfund receivables and payables are eliminated within the governmental activities. All of these accounts are expected to be repaid within one year from the date of the financial statements.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 94,882	\$ -
Garnishment Fund	-	94,882
	<u>94,882</u>	<u>94,882</u>

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (7) - AGENCY FUND

Changes in Assets and Liabilities

ASSETS

Cash, as of January 1, 2017	\$ 84,937
Additions	409,560
Reductions	399,615
Cash, as of December 31, 2017	94,882

LIABILITIES

Due to General Fund and litigants, as of January 1, 2017	\$ 84,937
Additions	409,560
Reduction	399,615
Due to General Fund and litigants, as of December 31, 2017	94,882

NOTE (8) - RETIREMENT PLAN

General: The Opelousas City Marshal began participating in funding a retirement plan during 2017 which is described as follows:

Municipal Employees' Retirement System

Plan Description: The Opelousas City Marshal provides pension benefits for substantially all of its full time employees through the Municipal Employees' Retirement System of Louisiana, Plan B. This plan is a cost-sharing, multiple-employer, statewide funded plan. In addition to employee payroll deductions, The Marshal funds are remitted to the retirement system and are recorded expenditures. The retirement system is administered and controlled by a separate board of trustees. Contributions of participating agencies are pooled within the system to fund accrued benefits, with contribution rates approved by the Louisiana Legislature. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and Required Supplementary Information. The report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy: Plan B members of the Municipal Employees' Retirement System are required by state statute to contribute 5% of their annual covered salary and the Marshal (as the employer) is required to contribute at an actuarially determined rate. The rate for the fiscal year ending December 31, 2017 was 8.55% respectively of annual covered payroll.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE (8) - RETIREMENT PLAN (continued)

The contribution requirements of plan members and the employer are established by, and may be amended by state law. As required by state law, 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 employer contribution is additionally funded by the State of Louisiana through the annual Legislative appropriation. The Opelousas City Marshal's employer contributions to Municipal Employees' Retirement System for the year ended December 31, 2017 was \$10,196, respectively, and was equal to the required contribution for the year.

At December 31, 2017 the City Marshal did not have a proportionate share of the net pension liability since they had just joined the retirement plan. At December 31, 2017 the City Marshal reported deferred outflows of resources related to pensions from employer contributions subsequent to the measurement date of \$5,794. Deferred outflows of resources of \$5,794 related to pensions resulting from the City Marshal's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2018.

NOTE (9) - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Opelousas City Marshal does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

NOTE (10) - SUBSEQUENT EVENTS

Subsequent events were evaluated through May 16, 2018, which is the date the financial statements were available to be issued. As of May 16, 2018, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>				
Fines and forfeitures				
Fines and subpoenas	\$ 52,000	\$ 50,000	\$ 38,254	\$ (11,746)
Fines - DA		58,000	71,333	13,333
Bonds collected	-	-	1,848	1,848
Bond forfeitures income	2,500	1,200	1,215	15
Garnishment revenue	20,000	20,000	24,322	4,322
Intergovernmental				
Salary reimbursements	14,000	14,000	14,800	800
Juvenile and citation mileage	200	200	179	(21)
Parish government reimbursements	34,000	40,000	39,333	(667)
On behalf payments	300,000	320,000	352,987	32,987
Interest income	200	100	886	786
Insurance reimbursement	1,000	3,000	2,998	(2)
Other				
Donations	-	1,000	1,018	18
Miscellaneous	2,000	300	3,992	3,692
Total revenues	<u>425,900</u>	<u>507,800</u>	<u>553,165</u>	<u>45,365</u>
<u>EXPENDITURES</u>				
Current operating				
Salaries	125,000	125,000	119,246	5,754
Payroll taxes	10,000	10,000	6,434	3,566
Auto repairs and maintenance	10,000	20,000	18,673	1,327
Fuel	1,000	500	-	500
Insurance	3,000	500	6,988	(6,488)
Internet	3,000	3,000	3,245	(245)
Office supplies	5,000	8,000	8,406	(406)
Uniforms	3,000	4,000	3,196	804
Dues and conventions	1,200	800	669	131
Equipment repairs and maintenance	2,000	3,500	3,404	96
Police supplies	4,000	10,000	8,222	1,778
Basic training	2,000	1,500	1,499	1
Accounting	11,000	11,000	10,010	990
Computer costs	3,000	2,000	1,265	735
Travel and meetings	1,500	500	629	(129)
Telephone	8,000	8,000	7,418	582
Interest	100	2,000	17	1,983
Miscellaneous	2,200	500	99	401
Lease		10,000	9,028	972
Retirement		10,200	10,196	4
On behalf payments	300,000	320,000	352,987	(32,987)
Debt service		1,050	1,031	19
Capital outlay	7,000	9,839	8,839	1,000
Total expenditures	<u>502,000</u>	<u>561,889</u>	<u>581,501</u>	<u>(19,612)</u>
<u>OTHER FINANCING SOURCES</u>				
Inception of capital lease		8,839	8,839	-
Proceeds from disposal of asset	-	-	2,477	2,477
Total other financing sources	<u>-</u>	<u>8,839</u>	<u>11,316</u>	<u>2,477</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(76,100)</u>	<u>(45,250)</u>	<u>(17,020)</u>	<u>28,230</u>
<u>FUND BALANCE, beginning of year</u>			<u>154,584</u>	
<u>FUND BALANCE, end of year</u>			<u>137,564</u>	

See independent auditor's report.

RELATED REPORTS

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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

Opelousas City Marshal Paul Mouton
 Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Opelousas City Marshal as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Opelousas City Marshal's basic financial statements and have issued our report thereon dated June 2, 2017.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2017-1 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Opelousas City Marshal Paul Mouton
Opelousas, Louisiana
Page 2

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Opelousas City Marshal's Responses to Findings

The Opelousas City Marshal's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Opelousas City Marshal's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John S. Dowling & Company

Opelousas, Louisiana
May 16, 2018

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Opelousas City Marshal.
2. One significant deficiency and no material weakness relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and on Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instance of noncompliance relating to the audit of the financial statements was reported in the 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.
4. No management letter was issued for the Opelousas City Marshal as of and for the year ended December 31, 2017.
5. There was no single audit required under 2CFR 200.516(a) (Uniform Guidance).

Section II - 2017 FINDINGS - FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2017-1 Inadequate Segregation of Duties

Condition: Due to the small number of employees, the Opelousas City Marshal did not have adequate segregation of functions within the accounting system.

Criteria: Accounting duties should be segregated among employees.

Cause: There are a small number of employees at the Opelousas City Marshal performing the daily operating activities.

Effect: The accounting functions are not segregated and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

Corrective Action Planned: Due to the small size of our entity, the accounting functions cannot be fully segregated.

Contact Person: Marshal Paul Mouton

COMPLIANCE

N/A

Section III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

N/A

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

2016-1 - Inadequate Segregation of Duties

Repeat comment.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III – MANAGEMENT LETTER

No findings

OTHER SUPPLEMENTARY INFORMATION

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head Name: Paul Mouton, City Marshal

Purpose	Amount
Salary	\$ 43,263
Benefits-insurance	5,479
Benefits-retirement	8,603
Benefits-<list any other here>	0
Car allowance	0
Vehicle provided by government	0
Per diem	13,767
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0

See independent auditor's report.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To Opelousas City Marshal, Paul Mouton
 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Opelousas City Marshal (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Finding: There are no written policies and procedures addressing budgeting.

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.

Finding: There are no written policies and procedures addressing purchasing.

c) **Disbursements**, including processing, reviewing, and approving

Finding: There are no written policies and procedures addressing disbursements.

d) **Receipts**, including receiving, recording, and preparing deposits

Finding: There are no written policies and procedures addressing receipts.

e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Finding: There are no written policies and procedures addressing payroll/personnel.

To Opelousas City Marshal, Paul Mouton
and the Louisiana Legislative Auditor:
Page 2

- 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

Finding: There are no written policies and procedures addressing contracting.

- 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, and (5) monitoring card usage

Finding: There are no written policies and procedures addressing credit cards.

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

Finding: There are no written policies and procedures addressing travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits

Finding: There are no written policies and procedures addressing ethics.

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

Finding: There are no written policies and procedures addressing debt service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Finding: The Marshal is independently elected and as such does not have meetings.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Finding: The Marshal is independently elected and as such does not have meetings. A budget is prepared on an annual basis.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Finding: Not applicable for the entity.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

To Opelousas City Marshal, Paul Mouton
and the Louisiana Legislative Auditor:
Page 3

Finding: We were provided with the list from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

a) Bank reconciliations have been prepared;

Finding: Obtained all bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months.

b) Bank reconciliations include evidence that a member of management (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Finding: The bank reconciliations obtained did not contain evidence that management reviewed the bank reconciliations.

c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Finding: For the general fund, there were no items outstanding for more than six months at the end of the fiscal period. For the garnishment fund, outstanding checks greater than six months had been researched.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Finding: There is only one cash collection location and obtained management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

For each cash collection location selected:

a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Finding: The Marshal's employee collecting cash is not bonded. The Marshal's employee collecting cash makes the deposit, records the transactions, and reconciles the bank statements. The Marshal's employee does not have a cash register or drawer and does not collect cash.

b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

To Opelousas City Marshal, Paul Mouton
and the Louisiana Legislative Auditor:
Page 4

Finding: Obtained written documentation; however, there is no formal process for reconciling cash collections to the general ledger by revenue source. An employee does reconcile the bank statements and record all general ledger transactions monthly.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Finding: There were a total of two deposits tested. All deposits tested were completely supported by documentation. In the general fund, the deposit was made within one day of collection. In the garnishment fund, the deposit was not made within one day of collection. Deposits are made weekly in this fund and cash is not collected in this fund.

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Finding: There is no written procedure to determine completeness of all collections and collections are not done by a person who is not responsible.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

- 8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Finding: Obtained the general ledger and management's representation that the general ledger population is complete.

- 9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Finding: The organization does not use a requisition/purchase or electronic system. All purchases were made by authorized personnel.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Finding: Invoices are approved by a person who does not initiate the purchase and there was documentation of approval on the invoices.

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- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Finding: The organization does not use a requisition/purchase or electronic system. There was documentation of approval on the invoices.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Finding: The entity does not have a purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Finding: The persons with signatory authority do have the authority for initiating purchases. One signature is required on each check. All transactions are recorded.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Finding: Checks are handwritten and one person that has signatory authority does have access to the checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Finding: An employee signs the checks. Checks are not signed until written and are approved by the Marshal.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Finding: Obtained from management, a listing of all active credit cards including the card numbers and the names of the persons who maintain possession of the cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and

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- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Finding: Obtained the combined monthly statement of the two active credit cards with the largest dollar activity. The supporting documentation was reviewed and approved by the Marshal, in writing, who also is a credit card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Finding: There were no finance charges and/or late fees assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Finding: All receipts were attached to the statement and there was documentation of business purpose.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Finding: No exceptions to report.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Finding: No exceptions noted which would be a violation of Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Finding: The entity does not have travel and expense reimbursements for their employees.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Finding: The entity does not have travel and expense reimbursements for their employees.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation

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of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased.
 - Documentation of the business/public purpose.
 - Other documentation as may be required by written policy.
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding: The entity does not have travel and expense reimbursements for their employees.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Finding: Obtained, from management, a listing of all contracts in effect during the fiscal period.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Finding: Both of the Marshal's contracts were written and included the amount paid.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Finding: Louisiana Public Bid Law does not apply. The company did solicit quotes.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Finding: The contracts were not amended during the fiscal period.

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- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Finding: A pay schedule is used to submit payment to contract vendors, instead of invoices. The amount on the pay schedule complied with the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Finding: Obtained and reviewed contract documentation and there is documentation of approval.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Finding: Obtained a list of employees, their related salaries, and their personnel files from the Chief Deputy and management's representation that the list is complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Finding: No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Finding: No changes were made to rates/salaries.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Finding: All daily attendance and leave was documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Finding: There is written documentation that supervisors approved in writing the attendance and leave.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Finding: There is written documentation that the organization maintains leave records.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Finding: One employee was terminated during the fiscal year. No payments were made with the termination of this employee.

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25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Finding: We noted no exceptions with regards to payroll taxes.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Finding: There were no misappropriations of public funds or assets per management.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lia.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Finding: The notice is posted on the premises. The organization does not have a website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Finding: No exceptions were noted.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

John S. Dowling & Company

Opelousas, Louisiana
May 16, 2018