

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

1

John S. Dowling, CPA
1904-1984
John Newton Stout, CPA
1936-2005
Chizal S. Fontenot, CPA
1955-2012

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

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, 2018, 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, 2018 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.

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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 22 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 27 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 6, 2019 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 6, 2019 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

To Opelousas City Marshal, Paul Mouton
Opelousas, Louisiana
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scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

John S. Dowling & Co

Opelousas, Louisiana
May 6, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

GOVERNMENTAL ACTIVITIES

ASSETS

Cash	\$ 16,523
Certificates of deposit	18,733
Due from Garnishment Account	79,414
Receivables	12,882
Capital assets, net	<u>24,867</u>
<u>Total assets</u>	<u>152,419</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	<u>6,047</u>
---------	--------------

LIABILITIES

Accounts payable	2,821
Payroll taxes payable	3,353
Retirement payable	2,061
Credit Card Payable	802
Capital lease payable	
Due within one year	1,768
Due in more than one year	<u>4,272</u>
<u>Total liabilities</u>	<u>15,077</u>

NET POSITION

Net investment in capital assets	24,867
Unrestricted	<u>118,522</u>
<u>Total net position</u>	<u>143,389</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, 2018

<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	\$ 574,622	\$ 114,162	\$ 1,000	\$ (459,460)
<u>Total governmental activities</u>	<u>574,622</u>	<u>114,162</u>	<u>1,000</u>	<u>(459,460)</u>
General revenues				
Intergovernmental				427,374
Interest income				884
Disposal of assets				(2,098)
Miscellaneous				7,086
<u>Total governmental revenues</u>				<u>433,246</u>
Change in net position				(26,214)
Net position, January 1, 2018				<u>169,603</u>
Net position, December 31, 2018				<u>143,389</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, 2018

GOVERNMENTAL
FUND TYPE
GENERAL

ASSETS

Cash	\$ 16,523
Certificates of deposit	18,733
Due from Garnishment Fund	79,414
Receivables	<u>12,882</u>
<u>Total assets</u>	<u><u>127,552</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 2,821
Payroll taxes payable	3,353
Retirement payable	2,061
Credit card payable	<u>802</u>
<u>Total liabilities</u>	<u><u>9,037</u></u>

FUND BALANCE

Fund balance - unassigned	<u>118,515</u>
<u>Total fund balance</u>	<u><u>118,515</u></u>
<u>Total liabilities and fund balance</u>	<u><u>127,552</u></u>

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, 2018

Total fund balance for the governmental fund at December 31, 2018		\$ 118,515
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund.		
Cost of capital assets	\$ 103,815	
Less: Accumulated depreciation	<u>(78,948)</u>	24,867
Deferred outflows of resources related to employer contributions subsequent to the measurement date are expenditures in the governmental fund.		6,047
Long-term liabilities:		
Capital lease payable		<u>(6,040)</u>
Total net position of governmental activities at December 31, 2018		<u><u>143,389</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, 2018

REVENUES

Fines and forfeitures	
Fines and subpoenas - City Court	\$ 27,127
Fines - DA	61,639
Bonds collected	1,104
Bond forfeiture income	144
Garnishment revenue	24,148
Intergovernmental	
Salary reimbursements	16,400
Juvenile mileage	174
Parish government reimbursements	57,984
On behalf payments - State of Louisiana	6,000
On behalf payments - City of Opelousas	346,816
Interest income	884
Other	
Donations	1,000
Miscellaneous	7,086
<u>Total revenues</u>	<u>550,506</u>

EXPENDITURES

Current operating	
Salaries	117,929
Payroll taxes	6,668
On behalf payments - State of Louisiana	6,000
On behalf payments - City of Opelousas	346,816
Auto repairs and maintenance	14,656
Insurance	172
Office supplies	6,854
Equipment repairs and maintenance	891
Uniforms	4,448
Dues and conventions	3,130
Police supplies	7,647
Basic training	475
Accounting	12,041
Computer expense	929
Internet	2,104
Travel and meetings	103
Telephone	7,846
Miscellaneous	747
Interest	220
Lease expense	16,557
Retirement	10,938
Capital outlay	1,116
Debt service	1,768
<u>Total expenditures</u>	<u>570,055</u>

OTHER FINANCING SOURCES

Proceeds from disposal of asset	500
<u>Total other financing sources</u>	<u>500</u>

NET CHANGE IN FUND BALANCE (19,049)

FUND BALANCE, beginning of year 137,564

FUND BALANCE, end of year 118,515

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, 2018

Total net change in the fund balance for the year December 31, 2018, per Statement of Revenues, Expenditures, and Changes in Fund Balance	\$(19,049)
Capital outlay which is considered an expenditure on Statement of Revenues, Expenditures, and Changes in Fund Balance	1,116
The governmental fund reports capital outlay as expenditures. However, in the statement of activities, the cost of these assets are allocated over their estimated useful life and reported as depreciation expense	
Depreciation	(7,704)
Disposal of assets	(2,598)
Repayment of capital lease is considered an expenditure in the governmental funds, but their repayment reduces liabilities in the Statement of Net Position	1,768
Pension expenditures related to employer contributions subsequent to the measurement are expenditures in the governmental fund	<u>253</u>
Total change in net position for the year ended December 31, 2018, per Statement of Activities	<u><u>(26,214)</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, 2018

	<u>FIDUCIARY</u> <u>FUND TYPE</u> <u>GARNISHMENT FUND</u>
 <u>ASSETS</u>	
Cash	\$ 20,775
Certificate of deposit	<u>58,639</u>
<u>Total assets</u>	<u><u>79,414</u></u>
 <u>LIABILITIES</u>	
Due to General Fund	<u>\$ 79,414</u>
<u>Total liabilities</u>	<u><u>79,414</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, 2018

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, 2018

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. 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, 2018

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

C. Measurement Focus/Basis of Accounting

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 recorded when the related 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, 2018

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 of 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, 2018.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

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. Long-term Debt

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of capital lease payable. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements.

J. 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.

K. Annual Sick Leave

All annual leave accumulated in 2018 was converted to sick leave on December 31, 2018. 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, 2018, and thus are not recorded in these financial statements.

L. 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.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

L. Equity Classifications (Continued)

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.

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.

M. 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.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 \$48,047. The bank balance of cash was \$37,298. The cash was covered by federal depository insurance. The carrying amount and the bank balance of certificates of deposit at year-end were \$77,372. The bank balance was covered by federal depository insurance.

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, 2018, 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, 2018 consist of the following:

Fines	\$	6,725
Juvenile mileage		11
Salary reimbursement		5,887
Subpoenas receivable		60
Miscellaneous		199
		199
<u>Total</u>		12,882

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE (4) - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2018</u>
Governmental Activities				
Automobiles	\$ 42,126	\$ -	\$ -	\$ 42,126
Equipment	<u>68,641</u>	<u>1,116</u>	<u>8,068</u>	<u>61,689</u>
<u>Totals</u>	<u>110,767</u>	<u>1,116</u>	<u>8,068</u>	<u>103,815</u>
Less accumulated depreciation				
Autos	35,838	1,065	-	36,903
Equipment	<u>40,876</u>	<u>6,639</u>	<u>5,470</u>	<u>42,045</u>
<u>Total accumulated depreciation</u>	<u>76,714</u>	<u>7,704</u>	<u>5,470</u>	<u>78,948</u>
Capital assets, net	<u>34,053</u>	<u>(6,588)</u>	<u>2,598</u>	<u>24,867</u>

Depreciation expense for the year ended December 31, 2018, amounted to \$7,704

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

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	\$ 6,000
City of Opelousas	
Salaries	243,165
Group health	36,036
Medicare	3,470
Fica taxes	37
MERS contributions	64,108

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	20,853
Telephone, postage, office supplies	4,088

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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	\$ 79,414	\$ -
Garnishment Fund	<u>-</u>	<u>79,414</u>
	<u>79,414</u>	<u>79,414</u>

NOTE (7) - CHANGES IN LONG-TERM DEBT

Opelousas City Marshal entered into a capital lease agreement with KS State Bank, for five radios on May 25, 2017. The first monthly payment was due on June 25, 2017. The agreement requires monthly payments of \$147.32 for sixty months which are recorded in the General Fund, secured by the radios.

The following is a summary of long-term debt transactions of Opelousas City Marshal for the year ended December 31, 2018

	<u>Governmental Activities</u>
Capital lease payable at 1/01/2018	\$ 7,808
Payments	<u>(1,768)</u>
Capital lease payable at 12/31/2018	<u>6,040</u>
Due within one year	<u>\$ 1,768</u>

Maturities of long-term debt are as follows:

<u>Year Ending December 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,410	\$ 358	\$ 1,768
2020	1,522	246	1,768
2021	1,643	125	1,768
2022	<u>722</u>	<u>14</u>	<u>736</u>
	<u>5,297</u>	<u>743</u>	<u>6,040</u>

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE (8) - LEASE COMMITMENTS

Opelousas City Marshal entered into a monthly operating lease for three 2015 Ford police interceptor SUVs in June 2017. Twelve monthly payments were made for \$1,379.73. Lease expense at December 31, 2018 totaled \$16,557.

NOTE (9) - AGENCY FUND

Changes in Assets and Liabilities

ASSETS	
Cash, as of January 1, 2018	\$ 94,882
Additions	411,331
Reductions	<u>426,799</u>
Cash, as of December 31, 2018	<u>79,414</u>
LIABILITIES	
Due to General Fund and litigants, as of January 1, 2018	\$ 94,882
Additions	411,331
Reduction	<u>426,799</u>
Due to General Fund and litigants, as of December 31, 2018	<u>79,414</u>

NOTE (10) - RETIREMENT PLAN

General: The Opelousas City Marshal participates in funding a retirement plan under the City of Opelousas because the majority of salaries and benefits are paid by the City of Opelousas:

Municipal Employees' Retirement System

Plan Description: Substantially all of the Opelousas City Marshal's full-time employees are provided pension benefits, under the City of Opelousas, through the Municipal Employees' Retirement System of Louisiana, Plan A. 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 at www.mersla.com.

Funding Policy: Plan A members of the Municipal Employees' Retirement System are required by state statute to contribute 9.5% of their annual covered salary and the Marshal (as the employer) is required to contribute at an actuarially determined rate. The rate for the plan year ended June 30, 2018 was 24.75% of annual covered payroll.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE (10) - 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, 2018 was \$10,952 and was equal to the required contribution for the year.

At December 31, 2018 the City Marshal reported deferred outflows of resources related to pensions from employer contributions subsequent to the June 30, 2018 measurement date of \$6,047. Deferred outflows of resources related to pensions resulting from the City Marshal's contributions subsequent to the measurement date of the plan year will be recognized as pension expense in the year ending December 31, 2019.

Payables to the Pension Plan: At December 31, 2018, Opelousas City Marshal reported a payable to the Municipal Employees' Retirement System of Louisiana of \$2,061.

NOTE (11) - 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 (12) - SUBSEQUENT EVENTS

Subsequent events were evaluated through May 6, 2019, which is the date the financial statements were available to be issued. As of May 6, 2019, 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, 2018

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fines and forfeitures				
Fines and subpoenas - City Court	\$ 50,000	\$ 48,000	\$ 27,127	\$ (20,873)
Fines - DA	96,000	65,000	61,639	(3,361)
Bonds collected	-		1,104	1,104
Bond forfeitures income	1,500	150	144	(6)
Garnishment revenue	20,000	25,000	24,148	(852)
Intergovernmental				
Salary reimbursements	14,000	14,000	16,400	2,400
Juvenile and citation mileage	200	100	174	74
Parish government reimbursements	34,000	52,500	57,984	5,484
On behalf payments	320,000	320,000	352,816	32,816
Interest income	100	100	884	784
Insurance reimbursement	1,500	100	-	(100)
Other				
Donations	500	1,000	1,000	-
Miscellaneous	300	500	7,086	6,586
Total revenues	<u>538,100</u>	<u>526,450</u>	<u>550,506</u>	<u>24,056</u>
EXPENDITURES				
Current operating				
Salaries	135,000	135,000	117,929	17,071
Payroll taxes	10,800	10,800	6,668	4,132
Auto repairs and maintenance	12,000	15,000	14,656	344
Fuel	500	600	-	600
Insurance	-	300	172	128
Internet	3,000	3,000	2,104	896
Office supplies	8,000	6,500	6,854	(354)
Uniforms	4,000	6,000	4,448	1,552
Dues and conventions	1,200	3,000	3,130	(130)
Equipment repairs and maintenance	3,500	1,000	891	109
Police supplies	5,000	10,000	7,647	2,353
Basic training	1,500	500	475	25
Accounting	11,000	12,500	12,041	459
Computer costs	2,000	1,000	929	71
Travel and meetings	500	600	103	497
Telephone	8,000	10,000	7,846	2,154
Interest	500	500	220	280
Miscellaneous	500	750	747	3
Lease	16,557	16,550	16,557	(7)
Retirement	11,500	11,000	10,938	62
On behalf payments	320,000	320,000	352,816	(32,816)
Debt service	1,800	1,800	1,768	32
Capital outlay	5,000	2,000	1,116	884
Total expenditures	<u>561,857</u>	<u>568,400</u>	<u>570,055</u>	<u>(1,655)</u>
OTHER FINANCING SOURCES				
Proceeds from disposal of asset	-	500	500	-
Total other financing sources	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(23,757)</u>	<u>(41,450)</u>	<u>(19,049)</u>	<u>22,401</u>
FUND BALANCE, beginning of year			<u>137,564</u>	
FUND BALANCE, end of year			<u>118,515</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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John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

Van L. Auld, CPA

**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, 2018, 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 May 6, 2019.

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 charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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 2018-1 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 L. Dowling & Co.

Opelousas, Louisiana
May 6, 2019

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018.
5. There was no single audit required under 2CFR 200.516(a) (Uniform Guidance).

Section II - 2018 FINDINGS - FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2018-1 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.

Recommendation: A system of internal control should be established in order to mitigate the problem of having such a small number of employees performing the daily accounting functions.

Response: There are simply not enough employees at the Marshal's Office to segregate the accounting duties.

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, 2018

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

INTERNAL CONTROL

2017-1 - 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, 2018

Agency Head Name: Paul Mouton, City Marshal

Purpose	Amount
Salary	\$ 43,901
Benefits-insurance	5,491
Benefits-retirement	9,384
Benefits-<list any other here>	0
Car allowance	0
Vehicle provided by government	0
Per diem	14,171
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.

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



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

John S. Dowling, CPA²⁸
1904-1984
John Newton Stout, CPA
1936-2005
Chizal S. Fontenot, CPA
1955-2012

Van L. Auld, CPA

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

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, 2018 through December 31, 2018. 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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

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

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

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.

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

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/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

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

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

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

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

Finding: Obtained bank reconciliations noting that they include evidence that they were prepared within two months of the related statement closing date.

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

Finding: The Bank reconciliations obtained included evidence that the Marshal reviewed each bank reconciliation.

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

Finding: For the general fund, there are no outstanding checks greater than 12 months on the bank reconciliations. For the garnishment fund, outstanding checks greater than 12 months have been researched.

Collections

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

Finding: There is only one deposit site and obtained management's representation that the listing is complete.

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Finding: No cash payments are accepted, and employees do not have a cash register or drawer.

To Opelousas City Marshal, Paul Mouton
and the Louisiana Legislative Auditor:
Page 5

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

Finding: The Marshal's employees responsible for collecting checks make deposits, record the transactions, and reconcile the bank statement.

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

Finding: The Marshal's employees responsible for collecting checks; record the transactions and reconcile the bank statement.

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

Finding: The Marshal's employees responsible for collecting checks; record the transactions and reconcile the bank statement. The Marshal verifies the reconciliation.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding: The Marshal's employees collecting checks are not bonded.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Finding: Receipts are sequentially pre-numbered. No exceptions noted.

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

Finding: Traced receipts or system reports to deposit slip. No exceptions noted.

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

Finding: Traced deposit slip total to actual deposit per the bank statement. No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

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Finding: None of the deposits were made within one day of receipt at the collection location. Deposits are made once per week, not daily.

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

Finding: Traced the actual deposit per the bank statement to the general ledger. No exceptions noted.

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

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

Finding: Only one location processes payments, Opelousas City Marshal's office. Obtained representation from management that listing is complete.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Finding: Two employees are involved; the Chief Deputy places an order or makes a purchase and the Marshal approves it.

- b) At least two employees are involved in processing and approving payments to vendors.

Finding: Two employees are involved; the Chief Deputy processes payments and the Marshal approves payments to vendors.

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

Finding: The Marshal's employee responsible for processing payments is not prohibited from adding or modifying vendor files.

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

Finding: The Chief Deputy, is responsible for signing checks, mailing payments, and is also responsible for processing payments.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.

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Finding: All disbursements matched the related original invoice. No exceptions noted.

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

Finding: All disbursements included evidence of approval, Marshal Mouton's signature. No exceptions noted.

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

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

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.

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

Finding: The combined monthly statement was reviewed and approved by the Marshal, who is also a card holder.

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

Finding: No Finance charges or late fees were assessed.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding: Of the five transactions selected on the credit card statement, two of them were traced to the original itemized receipt and only one of the two had documentation of business purpose. The remaining three of the five transactions were unable to be traced to the original itemized receipt.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

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

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

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

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

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

Contracts

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

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

Finding: There were only two contracts and the Louisiana Public Bid Law did not apply.

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

Finding: The Marshal's office does not have a governing board, but two contracts were approved by the Marshal.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Finding: No contracts were amended during the fiscal period.

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

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Finding: Obtained invoice and agreed invoice and amount to contract terms for one of the contracts. The other contract uses a pay schedule to submit payment to contract vendors instead of invoices, but payment amount agrees to contract terms. No exceptions noted.

Payroll and Personnel

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

Finding: Obtained a list of employees, their related paid salaries or pay rates and personnel files and agreed paid salaries or pay rates to authorized salaries or pay rates in the personnel files. Obtained management's representation that the list is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

Finding: All daily attendance and leave was documented. No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

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

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

Finding: All leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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

Finding: There were no employees terminated during the fiscal period, but two employees did resign.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Finding: Obtained management's representation that all necessary payments have been made and forms have been filed. No exceptions noted.

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Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Finding: Of the five randomly selected employees, four of them had documentation of one hour of ethics training completed.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Finding: The entity does not have an ethics policy.

Debt Service

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

Finding: No debt or notes were issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Finding: No debt or notes were outstanding at the end of the fiscal period.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Finding: There were no misappropriations of public fund or assets per management. No exceptions noted.

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

Finding: The notice required by R.S. 24:523.1 is posted on the premises. The entity does not have a website.

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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 & Co.

Opelousas, Louisiana
May 6, 2019

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2018

Management's responses to the following agreed-upon procedure sections:

Written Policies and Procedures:

1.
 - a) Budgeting
 - b) Purchasing
 - c) Disbursements
 - d) Receipts/Collections
 - e) Payroll/Personnel
 - f) Contracting
 - g) Credit cards
 - h) Travel and expense reimbursement
 - i) Ethics
 - j) Debt Service
 - The Marshal's Office is a very small operation. The Marshal approves all spending and once the bill comes in, the Marshal signs showing he approved it and it is paid by the Chief Deputy Marshal who is in charge of bill-paying. The Marshal does not feel that the Marshal's Office needs policies and procedures.

Collections:

5.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - The Marshal's Office does not collect cash. Therefore, we are not required to be bonded with the exception of the Marshal who is bonded. Also, in reference to the checks not being deposited daily, there is a lot of paperwork that has to be done before the checks can be deposited, so it takes a few days to process them.

Non-Payroll Disbursements:

9.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Since we are such a small department, we are unable to fully segregate duties.

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2018

Management's response to the following agreed-upon procedure sections – continued:

identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

- The Marshal's Office was not aware that itemized receipts on credit card purchases must be maintained. In the future, we will require that all itemized receipts be turned into the office for record-keeping.

Ethics:

20. b) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- The Marshal's Office does require that all employees and elected officials complete one hour of ethics training during the fiscal year. All certificates are then placed in his/her personnel file. The employee in question does remember doing the ethics training in 2018, but her certificate cannot be located. She does have her certificate for the previous year and the following year.